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## TIMELY TOPICS

### RESERVES UNDER THE NEW LAW.

Constant reports that the reduction in the percentage of reserve requirements under the Federal Reserve Act would release large amounts of cash for trade purposes were given official form by a statement from the office of the Comptroller of the Currency on October 27th.

It was apparent some time before the statement was issued that there was a belief in Washington that once the new reserve banks were in operation large sums of money now impounded in the vaults of banks would be released and become available for the use of business. Statements to this effect appeared in the daily papers as coming from Secretary McAdoo. At Richmond, before the American Bankers Association, Governor Hamlin, of the Federal Reserve Board, said:

Moreover, the Federal Reserve Act largely increases the lending power of the member banks

by reducing their required reserves. One can state with confidence that the Federal reserve system at the outset will increase the lending power of the national banks and the Federal reserve banks by some hundreds of millions of dollars.

In his address on the same day Congressman Glass said:

Then you had a fictitious reserve system. . . . Presumptively we had a reserve of 15 per cent. for the country banks and 25 per cent. for reserve and central reserve city banks, but in reality they did not have any such reserve, because the law permitted the country banker to deposit a greater part of his reserve with the reserve city banks and in turn permitted the reserve city banker to pyramid the reserve further by deposit in the central reserve city banks.

In the statement of October 27th from the Comptroller's office it was figured that the reduction in reserve requirements under the new law would "release" \$464,919,076 of presumably impounded cash. In the statement it is referred to

as the amount of "reserve released," which is technically the truth, but everywhere it is interpreted to mean the amount of cash released and appears in headlines as "Half Billion More for Nation's Trade," etc.

The amount released was arrived at by the extremely simple process of taking the difference between the reserve required under the present law and that required under the new law, which is approximately the amount stated above.

This method of calculation, however, fails to take account of some very stern facts. It gives a correct result only in regard to the three central reserve cities—New York, Chicago, and St. Louis. It is full of deception in regard to the remainder. In these three cities the reserve now required is 25 per cent. of net deposits. This 25 per cent. is held in cash in the vaults of the banks. The reduction of this requirement from 25 to 18 per cent. will obviously reduce the amount of cash the banks must carry by seven per cent. As the cash in the case of central reserve city banks exists this reduction is by a concrete amount.

The method, however, cannot be applied either to reserve city or country banks with equal accuracy. In regard to the former the Comptroller's statement mentioned takes the reserve now required as 25 per cent. of net deposits and subtracts from it 10 per cent. to get the 15 per cent. required under the new act. This 10 per cent. amounts to \$190,196,666, which is given truly as the amount of "reserve released," but it is not the amount of cash released, as is inferred.

Of course there can be no such amount of cash released for the simple reason that the reserve city banks hold no such cash reserve as \$491,345,275, which is the full amount of their reserve as given in the Comptroller's statement.

Of the reserve of reserve city banks about \$240,000,000 is in the form of a bank credit with central reserve city banks. This amount appears in the complete report as the item "due from agents." This \$240,000,000 does not exist. It is a credit against which the banks where it is deposited carry a 25 per cent. reserve of \$60,000,000. The difference, \$180,000,000, is the fiction to which Congressman Glass referred.

Theoretically, the reduction in the reserves of reserve city banks is undoubtedly \$190,000,000 expressed in terms of "reserve released," but in terms of "cash released" it becomes \$10,000,000.

The case of the country banks is even more interesting. The Comptroller's figures show a release of \$94,872,968—the difference between the 15 per cent. now required and the 12 per cent. of the new law. The total reserve of the country banks is now \$543,773,771. Of this amount there is redeposited approximately \$320,000,000, an amount which has a cash existence of considerably less than 25 per cent., because, in the case of country banks, the reserve agents may be reserve city banks, which may in turn redeposit with central reserve city banks. But counting the reserve against the redeposited \$320,000,000 at 25 per cent., the fiction in the item of total country bank reserve is \$240,000,000. As this amount exists only as a bookkeeping item, it cannot be released in cash. In terms of cash, therefore, the reserve of country banks, instead of being reduced \$94,872,968—the Comptroller's figures—is or will ultimately be increased more than \$140,000,000.

The simple fact is that the reserves required under the present law are not 25 per cent. and 15 per cent. for reserve city and country banks. There has never been any pretense that such was the case. In the annual report of the Comptroller of the Currency for 1913, page 53, it is said:

Owing to the difference in the reserve requirement of national banks and those operating under State laws it is not practicable to make a satisfactory comparable statement of the reserve held by national and by State banks, but it may be of interest to show here the percentage of cash holdings to demand liabilities held by national and by other commercial banks. The national banks held individual deposits subject to check together with demand certificates of deposit on June 4, 1913, aggregating \$4,603,400,000, and the cash held (including legal tender, specie, and bills of other banks) was 21 per cent. of this amount. . . . If the amount due to banks is included with the other demand deposits, the percentage of cash holdings for national banks will be 14.4, and for all other commercial banks 11.4.

If the reduction in the percentage of reserve required under the Federal Reserve Act is to be spoken of in terms of cash released for use by the nation's business, the fiction in the reserves now held must be eliminated. This fictional sum, growing out of redepositing or pyramiding, has for many years been counted generally as \$400,000,000. According to the Comptroller's statement the reserve released by the reduction of re-

serve requirements for time deposits is about \$60,000,000 and the total reserve released \$464,000,000. Eliminating the "fiction" shows that the reserve released in terms of cash will be practically nothing.

This is not at all surprising. The Banking and Currency Committee of the House of Representatives understood the situation in regard to reserves. The Pujo Committee, which investigated the so-called Money Trust, had gone into this subject. The finger of reformatory statesmanship had been pointing steadily for many weeks at the centralization of reserves as the basic evil which permitted what was called the "control of credit" and other things. In his speech to the bankers at Richmond, Congressman Glass said:

It was that system, the concentration of the reserves of the country almost at single center, to be used in speculative enterprises in the slack season, and unresponsive to demand at an urgent time, that created almost every panic that we have ever had in this country, and which we sought to correct.

The correction came in the form of such a reduction in the percentage of reserves as removed the fictional amount which resulted from redepositing. It is not an accident that this reduction offsets the fiction; it was so designed. At the end of the allotted three years the fiction will be entirely gone.

#### OPENING THE NEW BANKS.

Acting within the authority conferred on him by the Federal Reserve Act, Secretary McAdoo has fixed November 16th as the date for the opening of the twelve reserve banks. The directors of the banks, assembled in Washington, voted a preference for November 30th as the day of opening. There was some adverse criticism of the Secretary's action. It was alleged that to open on the 16th would involve undue haste and lack of necessary preparation. The haste displayed was also contrasted with the leisurely manner in which the preliminary steps have been taken in Washington.

However, the sooner the banks are opened the better. Had they been in operation last July the country would have been spared many pangs. There would have been no necessity for emergency note issues or foreign exchange gold pools or cot-

ton loan funds or ill-considered amendments to the Aldrich-Vreeland law, or wear and tear on congressional intellectuals.

The new banking system will come into action at a time to test it to the utmost. Much that has been promised for it will not be achieved. The activities of the reserve banks, the amount of business they do and the profits they make will depend on the extent to which the member banks rediscount. There is nothing to indicate this extent. It is certain the member banks will not be won away from their present connections and customs instantly. They will not surrender their profits by rediscounting when it is not necessary. Probably they should not rediscount when profit is the single object.

There are many problems which have been discussed for weary months which are now to be given a practical answer. The proof of the pudding is about to be secured in the usual manner. Presently fancies will give way to facts.

#### COTTON BILLS.

Bills introduced for the relief of cotton planters showed more enthusiasm on the part of Congressmen than knowledge of economics or finance. As a mark of the enthusiasm the following bills may be mentioned:

Authorizing the Secretary of the Treasury to extend the benefits of the Federal Reserve Act to State banks and trust companies that have joined the new reserve system, and to suspend the tax on circulating notes issued by State banks.

Directing the Secretary of the Treasury to use a sufficient amount of money belonging to the Government of the United States in purchasing four million bales of cotton at not less than 12 cents a pound.

Directing the Secretary of the Treasury to issue in the name of the Government of the United States an emergency currency to be known as "emergency cotton currency" and to loan to the cotton producers \$45 per bale.

Authorizing the Secretary of the Treasury to loan on cotton warehouse receipts untaxed circulating notes to 75 per cent. of the value of said cotton, the value to be the average price paid during the preceding five years.

Authorizing the Secretary of the Treasury to accept city or county bonds as security for crop-moving deposits.

Creating cotton loan associations and authorizing the issue of securities against warehoused cotton.

Authorizing the President of the United States to buy cotton, whenever the price falls below ten cents a pound, to an amount of \$100,000, provided cotton-growing States or organizations buy a similar amount and agree to take it off the market, and appropriating \$100,000,000 for the purpose.

Directing the Secretary of the Treasury to deposit \$500,000,000 in cotton State banks to be advanced to cotton producers at 3 per cent.

Directing the Secretary of the Treasury to issue \$500,000,000 in Treasury notes to be loaned to cotton producers at 4 per cent.

Directing the Secretary of the Treasury to issue \$250,000,000 in Treasury notes to be loaned on cotton.

Directing the Secretary of the Treasury to deposit \$250,000,000 in the banks of the cotton and tobacco-growing States, and to issue \$250,000,000 in notes, or sell Panama Canal bonds, the proceeds to be loaned to producers of cotton and tobacco.

Directing the Secretary of the Treasury to issue \$250,000,000 in notes or sell \$240,000,000 of Panama Canal bonds, and loan the proceeds to cotton and tobacco growers.

Directing the Secretary of the Treasury to deposit \$250,000,000 to be loaned, etc.

Directing the Secretary of the Treasury to sell all the Panama Canal bonds authorized and deposit the money, etc., to be loaned, etc.

These bills, and others, all died in the committee. Meantime the cotton problem is slowly approaching a sort of solution. With the seas open and a foreign demand to meet, the crop will be sold eventually at some price.

In the bills cited there are two notable manifestations: first, the avidity with which plans for valorization were offered, and, second, the prodigality of the suggested issues of currency. Valorization plans seem to be contrary to prevailing beliefs in competition. As proposed it would make legal the price-fixing which the work of a dozen years of constant agitation has been seeking to make illegal.

The prodigal use of currency of the kind proposed attests rather the indifference to monetary stability than regard for the welfare of the cotton planter.

A third matter of equal importance, but one not covered in the bills mentioned, is enforced reduction of cotton acreage. Enforced reduction would be not only interference with individual

preferences, but it expresses complete lack of belief in the power of economic law to operate.

Fortunately the nation's lawmakers hesitate when brought face to face with the question of substituting arbitrary for natural laws. None of the queernesses on the Texas program was approved by the legislature called in special session. It would be fortunate if there could be direct denial of the report that 3,000 bankers have sent pledges to the Atlanta Chamber of Commerce promising to withhold financial support from the cotton planters who refuse to reduce their acreage one-half. Such banking understandings have created the demand from soap-box orators that the reward for it be some cruel and unusual punishment forbidden by the Constitution.

#### IMPROVING CONDITIONS.

There is opportunity for indulging the hope that before Congress meets again other things will have happened to stay the hand and the enthusiasm of the lawmaker who, like the common law, has a remedy for every ill. The cotton situation is grave enough, but there is room for hope. Increased and increasing exports are creating abroad the balance that will solve the foreign exchange problem. The sea is open for the carriage of non-contraband articles, even to countries hostile to England. The deficit in New York bank reserves has disappeared. It may be that before Congress begins again business ailments will be so far healed that only the question of unemployment and the stock exchange opening will remain to cause worry.

#### COST OF EUROPEAN TRAVEL.

How far foreign trade will develop in response to the war necessities of Europe and the normal needs of South America cannot be foretold. Despite the constant increases in exports, it must be remembered that there are huge losses to recoup. Imports have made no gains as compared to the years of peace and probably will not. A sure gain, however, will result from the closing of Europe to American tourists. The "invisible export" due to tourist travel varies in amount from year to year and is a matter of guesswork at all times. It is probably always \$50,000,000 a year; it may run to \$200,000,000 in some sea-

sons. Whatever it is, it must be counted as a saving of much-needed capital.

#### CAPITAL.

Capital, or the lack of it, is the most grievous problem. Every plan which involves taking commercial advantage of new opportunities involves also a demand for capital. Trade follows investment. England commands South American trade because England has capitalized South America. An unfortunate phase of the situation now is that North America cannot supply South America with capital. This country cannot produce capital fast enough for its own requirements. Capital will not seek investment in South America or elsewhere when it can find profitable employment at home.

It is also true that New York will not be the world's financial center for some time, and for the same reason. Until the securities of foreign countries are dealt in on the New York Exchange, and until there is established a free gold market—that is, until the United States will pay its foreign obligations in gold as the unchallenged alternative to paying in goods, the world's financial center will stay where it is.

#### THE NEED FOR SAYING.

It has been frequently asserted that the Americans are not a saving people. It is a serious charge. But it seems to be true, especially when comparison is made with the persistent thrift of the foreigner. Americans may save for a certain length of time and for a specific purpose, but seldom are they content to attain modest wealth by the slow process of saved accumulations; they want to get rich quick—to make a strike.

In its influence on savings the European war may not be all evil. It may become necessary that capital in this country be accumulated by general and positive self-denial as the result of absolute necessity rather than patriotic impulse. This country can provide the capital needed for its own expansion and development. It will approach the task of saving it with a wry face. It will abhor the economies and the hardships, but it will probably have to do it. With Europe destroying capital at the rate of millions a day there must be a curtailment of waste in the United States if this country is to become financially in-

dependent. No demonstration of patriotism would be quite so effective as the universal determination to save consistently and persistently.

#### THE WAR TAX BILL.

As it became a law the war tax bill provides that each bank shall pay at the rate of \$1 per thousand of its capital and surplus. The House of Representatives fixed the tax at \$2 per thousand. As it is, the tax is burdensome enough. It compels a further contribution from the banks in the form of taxes of approximately \$3,750,000, which is an average of \$144 per bank. This average will be distributed in payments from \$5 to \$57,000. The latter sum is rather a large levy against any business, however profitable, when it is considered that the taxed bank is already subject to about all the other forms of taxation known.

Ease and certainty of collection undoubtedly turned the attention of the tax promoters to the banks and held it there in the face of all the logic brought in opposition. The protests were vigorous and cogent, but what were held to be the needs of the Government stood superior to an act of inequity and discrimination. However, the opposition was effective to secure a reduction of the tax rate from \$2 to \$1 per thousand, which, under the circumstances, may be regarded as a notable achievement.

#### THE INTERLOCKING DIRECTORATE MEASURE

The effort to keep the inhibition against interlocking directorates as between non-competing banks out of the Clayton bill met failure. The opposition to the provision had no foundation in whim or fancy. In the particular form it takes in the law the restriction will have the effect of making it more difficult to do legitimate business, and no legitimate purpose will be subserved. No evil will be remedied. No improvement in business methods will follow. The weak will have no greater protection, but there will be cases in which it will be harder to do honest business honestly.

As the result of the showing made by the opponents of the provision there was a helpful modification of the measure, but, in the net result, there is merely another addition to the sum of silly legislative interference with business.

## THE CONVENTION AT RICHMOND

**I**N terms of achievement of the purposes of the organization the Fortieth Annual Convention of the American Bankers Association at Richmond was the most successful in its history. The registration of delegates and visitors was not so large as at several previous conventions, but a variety of circumstances combined to give every meeting unusual importance and every address and discussion unusual and often far-reaching significance.

There was no particular division of interest among the several sections of the Association. The new banking law touches every branch of the business at some point. The war makes no distinction in the classes of business it affects. Domestic exchanges, in the prospect of revolution under the Federal Reserve Act, are quite as important as foreign exchanges under dislocation as the result of European upheaval. The entrance of State institutions into the new system and the possibilities thereof are not less interesting than the changed conditions under which national banks will operate.

The banking business of the country is, in fact, facing changes as great as the banking system, and for reasons far removed from the influence of new laws. The United States as an economic unit in the world's scheme of trade is presently to assume new responsibilities and it is further obligated to consider the prospects which necessarily confront the one great financial and commercial power that is at peace. Every prospective change, as well as every actual shift from the old order, invites not only serious study, but is given intensified importance when considered in relation to precedent-destroying conditions and an unprecedented economic situation as the inevitable accompaniment of war.

The acute problems occasioned by these conditions were not approached directly in the discussions at Richmond, but, nevertheless, at every turn there was always the underlying suggestion of new and strange conditions and many uncertainties. The business of banking, as it was considered in the Virginia capital, was a different proposition from the same business as it was discussed at Boston and Detroit.

The new reserve banking system would of itself be enough to whet the interest of bankers to a keen edge; coupled at its initiation with economic problems whose solution invariably involved some phase of banking and touched at a vital point the common welfare, progress and prosperity, it was not surprising that the places of meeting showed no empty chairs.

Richmond shouldered the responsibility of looking after its guests with devoted resolution. The accommodations and appointments were adequate and satisfactory, and there was, covering all, the ample cloak of Southern hospitality. There was no neglect of the offerings of entertainment or of sight-seeing or social diversions, but in the face of hosts of counter-

attractions there was always dominant the spirit of keen interest in the real business of the occasion.

It is no fanciful conclusion that as a result of the general interchange of ideas during the convention there was a more rapid crystallization of sentiment in regard to the besetting business and banking problems. There has been ever since promise of a speedier emergence from the difficulties that have confronted this country in common with the rest of the world.

More than anything else was the discussion in general directed to the opening of the new banks under the Federal Reserve Act, and the effects and advantages to be expected therefrom. In his address President Reynolds devoted much attention to the new law. He was charged with attacking it. It seems that a law whose framers were in such doubt that they spent six months in passing it, has become so sacred that frank criticism of it is construed as an assault. And yet it is admitted that many changes in it are now desirable and some amendments necessary.

Mr. Reynolds' criticism was constructive and met with such approval that there was unanimous demand that his remarks be printed in full and distributed before the official proceedings of the convention can be made ready. The address is, therefore, printed in full in this issue of the JOURNAL-BULLETIN.

At a time when the Federal Reserve Act is the theme of greatest interest to bankers, it was pertinent that the President of the Association should voice his opinions of particular features of the new act which invite debate. Congressman Glass had no hesitation in speaking of provisions of the law which he does not wholly approve, and he spoke with evident pride of provisions whose exclusion had tested his parliamentary capacity to the utmost. Mr. Reynolds called particular attention, for instance, to the provision of the law which empowers the Secretary of the Treasury to utilize the reserve banks as fiscal agents of the Government at his option, and to deposit or not to deposit the general funds of the Government with them, as he pleases. Mr. Reynolds said that it is a power which should not be entrusted to any individual.

Mr. Glass called attention to the fact that it was a power which had been utilized to the great satisfaction of everyone in 1907, but agreed with Mr. Reynolds that it might be subject to grave error and abuse; he added with much significance that as the bill came from the Banking and Currency Committee and as it went from the House to the Senate, the Secretary was given no such discretionary authority.

The possibility or probability of inflation both of credit and of notes was another point which Mr. Reynolds discussed with freedom and clarity. Liberal rediscounting or rediscounting for profit only, he thought, would so impair the resources of reserve banks on occasion that they would not have the power necessary to cope with an emergency; and, as

for notes, he has the fear of everyone familiar with the fixity of the country's circulation that there will be difficulty in getting them in for redemption.

From Mr. Glass, and also from Mr. Hamlin, Governor of the Federal Reserve Board, the assembled bankers secured much first-hand information about the spirit as well as the letter of the new law and the hopes, if not the fears, of its promoters and interpreters. Under the process of dissection there came a dissipation of the fear at first apparent—a fear founded less on the provisions of the law itself than on the probable or possible manner of its interpretation and application.

This feeling was manifested also when the proposal to appoint a committee from the Trust Company Section, the Savings Bank Section, and the general convention came up for action. H. Parker Willis, who was the expert of the House Banking and Currency Committee and is now Secretary of the Federal Reserve Board, discussed the "Future of State Institutions Under the Federal Reserve Act," and threw much light on this important subject. The general result was the creation of a real dilemma: If the State institutions do not enter the system the country can never have the desired unified banking system; if they go in under present circumstances they will not only surrender rights they cherish, but the public in many instances would be deprived of banking facilities which they should have and to which they are entitled.

Progress in this direction was made when Governor Hamlin extended the assurance on behalf of the Reserve Board that the co-operation and suggestion of bankers were most welcome. Taking him at his word, the appointment of a committee was authorized to co-operate with the Federal Reserve Board and make suggestions for such amendment to the law as will make it advantageous for the State institutions to enter the system. Under test in operation new weaknesses in the law may be disclosed, and there is fortunately now in existence a Board whose recommendations for the amendment of the banking laws Congress can hardly ignore.

Aside from the discussion of subjects directly related and pertinent to banking, there were numerous addresses on closely allied topics and others on subjects of broad interest and generally informative in appeal. In the former class may be mentioned "Problems of Road Improvement," by Mr. Logan Waller Page; "Soil Fertility," by Mr. C. G. Hopkins, and "Educating the Producer," by Mr. J. D. Eggleston. Unconnected as the topics were, they were all handled with a technical skill and breadth of power which attested as well the grasp of the speakers and the all but infinite variety of points at which banking touches the activities of the individual.

From Mr. Martin W. Littleton, former member of Congress from New York, came an address on "The Will of the People," which gave a new turn to the general notion of public opinion and illuminated

with a new light the psychology of democratic institutions.

Mr. James M. Beck, of New York, divided the honors with Mr. Littleton by relating "The Case of the Lost Million," a thrilling and romantic chapter of revolutionary financing and the ingratitude of republics. In many respects the other events on the program were workaday affairs connected directly or indirectly with the questions of banking and credit. Agreeable departures were these themes, as was that of Edward K. Graham, who had for his subject "Banking and the Larger Citizenship." There was a touch of the practical in the title of Mr. Graham's address, but in the handling of it he took his hearers into a new field and laid before them their larger obligations with a lucidity and eloquence that left every banker impressed firmly with the view that he occupies a position in the top of the arch, if he is not, indeed, the key-stone.

#### ENTERTAINMENT.

**N**OTWITHSTANDING the fact that the time of the delegates during the convention period is largely devoted to business, the entertaining city always provides attractive features of entertainment for the visitors within its gates, and especially is this so in regard to the ladies, who are royally entertained each day, the gentlemen participating in the evening functions and in the festivities of the last day of convention week.

Richmond, one of the most interesting historical cities of the United States, built on seven hills and surrounded by beautiful scenery, was especially attractive to the large gathering of representative bankers and their ladies from all sections of the country. In addition to what nature has done, its early history is so fraught with stirring scenes of frontier life and romantic incidents, forming a pleasing link between the old era of the seventeenth century and the new era which began with the Civil War, that it arouses the admiration and patriotism of all Americans.

Richmond and its environs are teeming with history covering the Colonial period and the Revolutionary and Civil Wars. The institutions and the monuments commemorating scenes of the early days of the young republic, the sites of many of the bloodiest battles of the wars, and of the hardships endured by the pioneers, all combine to make a fascinating study to the visitor.

On Sunday the visitors began to arrive, many of whom took drives around the city, while others attended special services in some of the historic churches.

On the first four days, commencing with Monday morning, automobile trips were taken to points of interest in and around Richmond, to the Country Club of Virginia, and to practically all of the big manufacturing plants of the city, handsome souvenirs being distributed to the visitors at the various plants.

On Monday luncheon was served by the Richmond

Rotary Club at Rueger's Hotel Roof Garden at one o'clock, and in the afternoon the ladies were guests of the Commonwealth Club at a five o'clock tea.

The sixth annual dinner of the Council Club was held in the evening. President Edwin Chamberlain of Texas presided, and the speakers were Attorney-General John Garland Pollard of Richmond; Frank Trumbull, New York, Chairman of the Board of Directors of the Chesapeake & Ohio Railway; former Congressman Martin W. Littleton, New York, and Wyndham R. Meredith of Richmond. The addresses were interspersed with music and stories by "The Old South Quartette" and "The Old Confederates."

A golf tournament was opened on Tuesday morning at the Country Club of Virginia, many of the bankers participating. Three cups were awarded in each class, as follows: Low gross in Class A—E. R. Rooney of Boston, 88—8—76; low net—C. P. Hunt of New York, 92—14—78. E. S. Brown of San Antonio, Texas, and J. G. Wakefield of Chicago were tied for the prize for the seventh lowest net. Low gross in Class B—J. V. Gillespie of Dallas, Texas, 93—18—75; low net—W. F. Alberson, New York, 93—14—74. Edwin Winn of Bluefield and W. D. Thomas of Boston were tied for the prize in this class for the seventh lowest net scores. The tourney was most successful from every point of view, and much credit is due to the committee that had the matter in charge.

The reception and ball on Tuesday evening at the First Regiment armory was without doubt one of the most brilliant social events ever held in Richmond. In the receiving line with Governor Stuart were President Arthur Reynolds and many prominent Richmond bankers and their wives. The armory was beautifully decorated and dancing commenced about ten o'clock, refreshments being served during the evening.

Following the automobile tours to different points of interest and to various manufacturing plants on Wednesday morning, the visiting ladies were taken to the Country Club, where they were entertained at luncheon.

In the evening another event of special interest was a musicale at the City Auditorium, which was a veritable treat. The building was filled to its capacity by an audience of music lovers. The artists were Alma Gluck, soprano; Antonio Scotti, baritone, of the Metropolitan Opera Company, and Efrem Zimbalist, violinist. The singers were in magnificent voice and graciously responded to numerous encores.

Friday was devoted to a trip down the James River to Jamestown; two boats—the Pocahontas and the St. John—being chartered for that purpose. Possibly there is no place in the history of the country around which so many sacred memories cluster as Jamestown, the first English settlement in America. The ivy-mantled tower and the ruins of the old church are almost the only evidence left of our forefathers who inhabited the island. Jamestown also brings to mind the episode of the saving of the life of Cap-

tain John Smith by the Indian Princess Pocahontas at Powhatan and who was afterward baptized, and married to John Rolfe in the old church at Jamestown. Old and gnarled trees are seen on the island under whose shade the pioneers must have rested from the toils of the day.

After going ashore at Jamestown to view these many interesting landmarks and the ancient monuments, the party re-embarked for Newport News, from where they returned by train to Richmond. Although the weather was somewhat unpropitious, the trip was thoroughly enjoyed. A sumptuous luncheon was served on the boats during the trip.

Many other social functions were held during the week, "Open House" being kept at the different clubs and museums and other institutions. Through the courtesy of the Virginia State Fair Association, the guests visited the Farm Products Building at the State Fair Grounds to view the Agricultural Exhibits.

One objective point in which much interest was centered was the Country Club of Virginia, situated in a beautiful section of the country, the view from the Club House being one of the most entrancing in the State of Virginia.

In addition to the set program, several evenings were devoted to dancing in the Auditorium of the Jefferson Hotel.

For varied entertainment and a week of perfect enjoyment the one spent at Richmond will long live in the memory of those who had the privilege of participating, the proverbial hospitality of the South being demonstrated on every hand the entire week.

#### SPRING MEETING OF THE EXECUTIVE COUNCIL.

THE Executive Council at a meeting in Richmond authorized the Administrative Committee to select the place and name the time for the Spring Meeting of that body.

At a meeting of the Administrative Committee, held in the General Offices in New York City, on October 30th, said Committee unanimously selected Old Point Comfort, Va., as the place for the meeting and the dates as May 3d, 4th and 5th.

This Spring Meeting will be held in the Hotel Chamberlin, which is admirably adapted for the purpose of meetings of this nature. The Chamberlin is one of the most attractive and successful hotels on the Atlantic Coast, with its large lobbies, palm gardens, parlors and vast porches.

While there are no business interests around Old Point Comfort to distract delegates from the business sessions, there are many points of interest to amuse and instruct the visitor. Hampton Roads is at all times interesting, with many ships of the United States Navy making it their rendezvous; then, there is Fortress Monroe, Hampton Institute, the National Soldiers Home, good drives and the unique city of Hampton easily available.

#### OFFICIAL BADGES.

THERE are a few of the official badges left over from the Richmond Convention which will be sent to such of our members, who would like them, on request in writing to the General Secretary. Until the supply is exhausted they will be sent out in the order in which applications are received.

## SYNOPSIS OF THE PROCEEDINGS

The first meeting of the Fortieth Annual General Convention of the American Bankers Association was called to order on October 14th, in the Auditorium of The Hotel Jefferson.

Rev. Dr. Denny delivered the invocation.

President Reynolds then introduced the Hon. Henry C. Stuart, Governor of Virginia, who welcomed the visitors in behalf of the State. His address was felicitous and in a short space contained much information about the Commonwealth of Virginia and its varied and growing industries. With particular pride he called attention to the growth of the banking resources of Virginia which have increased 130 per cent, while those of the country have increased only 80 per cent. He also pointed out that in six years the City of Richmond had increased its banking resources 238 per cent. As to Federal Reserve District No. 5, Governor Stuart showed that it has a little more than one-twelfth of the population of the country and included within its boundaries at least four of the most rapidly developing states.

Hon. George Ainslie, Mayor of the City of Richmond, welcomed the visitors for the municipality and Colonel J. B. Purcell made the address of welcome on behalf of the local bankers' organization.

To these addresses, President Reynolds made a suitable response which was followed by his annual address. The address in full appears in another part of this issue.

### Report of General Secretary.

The annual report of General Secretary Farnsworth, for the fiscal year ending August 31st last, gave a complete summary of the matters pertaining to the administration of the general business of the Association and its finances.

The large increase in the membership of the Association, the report said, makes it more than ever apparent that the business of the Association must be transacted by the Executive Council, a much more flexible body than the parent organization. At the Spring Meeting of the Council, held at Hot Springs, Va., on May 1st and 2nd, 1914, almost the entire membership of the Council was present. It was strictly a business meeting, which paid careful attention to every question presented and was highly successful.

The New Council, to be organized at the close of the Convention, will consist of 92 members—26 from the one-year class, 25 from the two-year class, 30 from the three-year class and 11 ex-officio; the total number 92. During the year five States increased their membership so as to entitle each to an additional Member of the Council. The State with the largest membership is New York with 1,003 enrolled; Pennsylvania second with 925; Illinois third, 914. The present method of representation on the Council is fair and equitable and maintains the interest in each State at the highest point.

### Work of the Sections.

The past year has been marked by great activity on the part of the various sections. Matters in the Trust Company Section have received close attention and the annual dinner at the Waldorf-Astoria on May 4th last had the largest attendance in the history of these functions.

The Savings Bank Section, in addition to its usual work, has been very active in the "thrift" movement, undertaken to impress upon the people the benefits to be derived from savings accounts.

As a result of the activity in the Clearing House Section, the efforts to create uniformity among clearing houses has received great impetus. This Section has also given valuable aid in the establishment of the Federal reserve banks and particularly in the preliminary discussion of the clearing house operations, which these banks will probably ultimately undertake.

The Annual Convention of the American Institute of Banking was held in Dallas, Texas, September 22nd-24th. It was a most successful gathering in which sight was never lost of the fact that the first purpose of the Institute was educational.

The State Secretaries Section has been in constant cooperation with the American Bankers Association.

Secretary Farnsworth extended thanks and congratulations to Secretaries P. S. Babcock, E. G. McWilliam, O. Howard Wolfe, Educational Director George E. Allen and to William J. Henry and P. W. Hall of the State Secretaries Section.

### Journal-Bulletin.

Secretary Farnsworth reported that the circulation of the JOURNAL-BULLETIN is now 30,000 copies a month. The value placed upon it is attested by the expressions of approval from members throughout the country. These expressions in very many cases refer particularly to the helpfulness of the work of the Legal Department and of the Protective Department.

Secretary Farnsworth said that while he did not believe the Association should go into the field of publishing a general financial magazine, the efficiency of the present publication as a medium for carrying useful information, regarding

the activities of the Association, and carefully prepared articles on banks and banking and the Federal reserve act was undoubtedly.

He called attention to the resolution adopted by the Executive Council in May, 1908, directing the Secretary to publish a monthly journal devoted to the interests and for the information of the members of the Association. It is in accordance with these instructions that the JOURNAL-BULLETIN has been published and the expense of it during the last year was \$15,801.27 and not \$25,000 as has been erroneously reported.

### Legal Department.

The work of this department has constantly increased since Mr. Paton assumed its direction in 1908. Requests from the large membership for legal opinions have been more numerous than ever and the department has been constantly consulted in regard to the preparations of briefs and other documents by the Federal Legislative, Law and Insurance Committees. Secretary Farnsworth pointed out the need of another assistant for Mr. Paton and more office space.

### State Associations.

There are now 48 State Bankers Associations and only one State without such an organization. Rhode Island is the delinquent and Secretary Farnsworth reported that he had been informed of the appointment of a committee looking to the organization of a State Bankers Association in Rhode Island. If such an Association is formed every State in the Union will be represented as well as the District of Columbia.

### Committees of the Association.

Secretary Farnsworth called attention to the active work of the various Committees of the Association and mentioned particularly the Insurance Committee, whose headquarters are in Richmond. This Committee has obtained most valuable information and contributed important service in the protection of the interests of members of the Association.

Secretary Farnsworth acknowledged his indebtedness to the Administrative Committee and said that the Finance Committee, as now constituted with its Sub-Committees, is in a better position to analyze the financial features of the Association than ever before. He also commended the wisdom of continuing the Currency Commission and predicted that there would be work for it during the coming year. He also recommended the continuance in some form of the Agricultural Commission, which was created at the Boston Convention, as an outgrowth of the activities of the Committee on Agricultural and Financial Development and Education.

### The Protective Department.

As to the Protective Committee and the work of the Protective Department he recommended that the report of Manager Gammon and William J. Burns be carefully read by all members. The work of this Department, which is very exacting, has been subjected to some criticism, the Secretary said, but there has been a very great preponderance of commendatory letters.

### Library and Reference Department.

The Secretary referred to the phenomenal success of the Library and Reference Department, whose usefulness is constantly being extended and whose efficiency has been increased.

### The New Constitution.

As to the new Constitution, adopted at Boston, its qualities have already been demonstrated but only practical experience can determine whether it meets every requirement of the Association. Amendments will be presented at this Meeting affecting minor provisions.

### Public Relations.

Secretary Farnsworth also called attention to the growing necessity for the creation of a Department of Public Relations and the opportunity that existed for efficient and persistent publicity work. He called attention to the fact that the Administrative Committee had unanimously decided that this matter should receive immediate attention.

He called attention to the report of the Treasurer and the great bulk of the routine work of the General Offices as indicated in the quantity of mail dispatched.

### Membership 14,720.

On August 31st, Secretary Farnsworth reported that the membership of the Association was 14,720—an increase of 620 during the year. The total income during the year ending August 31st was \$236,436.

**In Memoriam.**

The Secretary called attention to the death of Col. Robert E. James, a member of the Executive Council and chairman of the committee under which the new constitution was compiled. Another loss by death during the year was P. C. Kauffman of Tacoma, Treasurer of the American Bankers Association 1908-1909 and also a Member of the Executive Council for three years from 1901. The Secretary also expressed his appreciation of the co-operations, courtesy and assistance of the Executive Council, the Committees, Sections and Officers of the Association.

**The Richmond Convention of 1900.**

In conclusion Secretary Farnsworth called attention to the fact that the 26th Annual Convention of the American Bankers Association was held in Richmond in 1900. At that time the Association had 4,500 members and there was a registration of about 1,200 at Convention. It was at that Convention that the Committee on Education reported favorably for the organization of an Institute of Bank Clerks, out of which has grown the American Institute of Banking, "one of the most valuable and progressive adjuncts of our Association."

Reference was also made to the continuous and persistent work of the organization for the establishment of a scientific banking system, which seems now to have been achieved.

The report of the Secretary closed with a tribute to the bankers, the local committees and the Clearing House Association of Richmond, to whose efforts the success of the Convention was largely due.

**Report of the Treasurer.**

The report of J. W. Hoopes, Treasurer, showed that the cash on hand at the end of the present fiscal year was about \$15,000 greater than has been shown since 1907; that the surplus funds of the organization are invested in securities to the extent of \$122,000 and that the drafts for dues for the current year (1915) had been practically all collected.

On motion of William Livingstone of Detroit, the appreciation of the speech of Hon. Martin W. Littleton was attested by a rising vote of thanks.

A motion made by Mr. Sol. Wexler of New Orleans that "a resolution of thanks to the President of this Association for the sensible, straightforward and fearless manner in which he presented the matter of the encroachment upon the rights of our people and upon the interference in our public affairs" was carried and it was further ordered that the President's address be reprinted in full and sent to each member of the Association.

The suggested amendments to the constitution were adopted with the exception of that proposed by E. M. Wing of La Crosse, Wis.

In regard to the amendment changing the method of Election of Council Members representing groups, after the amendment was adopted as proposed, it was found that the members from Tennessee would be automatically retired. It was therefore moved, as an amendment to the amendment that the section should not apply to members already elected. This was carried.

**Addresses by Mr. Hamlin and Mr. Glass.**

At the afternoon session addresses were delivered by Hon. Charles S. Hamlin, Governor of the Federal Board, and the Hon. Carter Glass, Chairman of the Banking and Currency Committee of the House of Representatives.

Votes of thanks of the assembly were unanimously given to both speakers.

**Second Day's Business.**

The Second Day's session of the Convention was devoted chiefly to problems of agriculture, education and citizenship. The Secretary was instructed to cable the Hon. Myron G. Herrick, Ambassador to France, and Ex-President of the Association, greetings and congratulations on the manner in which he had administered the affairs of his office under most trying conditions.

B. F. Harris of Champaign, Ill., read the report of the Agricultural Commission detailing the progress made and citing that the Commission had already distributed over 300,000 copies of the "Banker-Farmer," its monthly publication. The thanks of the Convention were extended to Mr. Harris and his associates for their effective work during the year.

The following addresses were then made:

"Banking and the Larger Citizenship" Edward K. Graham, President of the University of North Carolina.

"Fundamental Problems in Road Improvement" L. W. Page, Director U. S. Office of Public Roads.

"Educating the Producer" J. D. Eggleston, President of Virginia Polytechnic Institute.

"Soil Fertility" Cyril G. Hopkins, Prof. of Soil and Crops University of Illinois.

**Increase Railroad Rates.**

On motion of Mr. Oliver J. Sands the rules were suspended and a resolution asking for a prompt and liberal increase in railroad rates was adopted.

The report of the Committee on Federal Legislation showed that its work had been varied and that it has been constantly in touch with all legislation affecting the banking laws of the nation.

The rules were also suspended to permit the Hon. William Livingstone of Detroit to present the "True Status of the Automobile Industry."

The venerable John P. Branch of Richmond made a few felicitous remarks.

At the afternoon session the report was received from the Committee on Law. The Association presented the retiring President, Mr. Arthur Reynolds with a silver service, Mr. Livingstone making the presentation address and Mr. Reynolds an appropriate reply.

**AMENDMENTS TO CONSTITUTION AND BY-LAWS.**

Article X, Section 1, Inserting in line four thereof as printed in the book containing the last annual proceedings after the word "section" the words "or sections whose Constitution or By-Laws permit of such membership" and in line five, after the word "interests" the words "provided, however, that no member shall have the right to vote for officers in more than one section and shall at the time of becoming a member in more than one section designate in which section he will exercise the right to vote for officers by giving notice to the Secretary of such section, which designation cannot be changed until an intervening annual election"

so that Section 1 as amended shall read as follows:

Sec. 1. Sections of the Association may be authorized or confirmed and regulated by By-Law, for the promotion of the welfare of the different business classes of the membership, and any member of the Association may become a member of such Section or Sections whose Constitution or By-Laws permit of such membership as may best benefit such member's business interests, provided, however, that no member shall have the right to vote for officers in more than one section and shall at the time of becoming a member in more than one section designate in which section he will exercise the right to vote for officers by giving notice to the Secretary of such section, which designation cannot be changed until an intervening annual election and when any section is authorized by By-Law, the same shall, upon application made, be established by the Executive Council.

**Executive Council to Fix Convention City and to Set Aside Day Following Convention for Committee Meetings.**

Article III, Section 2, to read as follows:

Sec. 2. The General Convention of the Association shall meet in Annual Session at such times and places as shall be fixed by the Executive Council and it shall be the duty of the Executive Council to set aside one full day immediately or within forty-eight hours following the day of adjournment of the annual convention for the purpose of holding meetings of the Executive Council and the various Committees. Special sessions of the general convention shall be ordered upon the request in writing of one-third of the membership of the Association, or if the general welfare shall require, upon the request of three-fourths of the members of the Executive Council made to the President, and in either of such cases, the General Secretary of the Association shall fix the time and place for such meeting and issue the call to the members.

Note.—Two changes are made in the present Section 2 by the proposed amendment. The first is

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to confer on the Executive Council the power of selecting the city for holding annual conventions instead of such power resting in the general convention. The second is to carry out a recommendation made to the Executive Council at Hot Springs, which was adopted by the Council, that there be a full day immediately following the adjournment of each Convention for Council and Committee meetings, as by this method the various Committees will be able to begin the new year's work in a more comprehensive way. The words "or within forty-eight hours" are inserted to provide for a situation such as will occur at Richmond where the convention will adjourn on Thursday and a program of entertainment is arranged for Friday, so as to permit of Saturday being fixed for Council and Committee meetings.

Article V, Section 8, Inserting after the word "immediately" the words "or within forty-eight hours," so that the first portion of the section will read: "The Executive Council shall meet in session for organization and other duties immediately or within forty-eight hours after the final adjournment of the annual session of the general convention," etc.

Note.—This amendment is suggested to make the section harmonize with the amended Article III, Section 2.

**A Vice-President, Member of Nominating Committee and Alternate for Each State.**

By-Law fifth to read as follows:

Fifth. Each State shall elect a vice-president for such State and also a member of the nominating committee for such State and an alternate. In each State having a State Bankers' Association such election shall be made at the annual meeting of such Association and certified by the Secretary to the General Secretary of the American Bankers Association. For each State having no State Bankers' Association such election shall be held at the time and place of the annual Convention of the American Bankers Association at a meeting of the members from such State called and presided over by the vice-president for such State prior to the time when the newly elected officers will be required to take up their respective duties. State vice-presidents and members of the nominating committee shall have the same qualifications as delegates to the general convention and shall forfeit their office by removal from the State by which elected or by the loss of any qualification required of a delegate.

Article IV, Section 3, to read as follows:

Sec. 3. The members of the American Bankers Association in each State shall annually elect a State vice-president in such manner as shall be prescribed by the By-Laws. It shall be the duty of State vice-presidents to preside at meetings of the members of this Association in their respective States or at the time of the annual convention of this Association and to enforce the rules and regulations of this Association as to such membership. In the absence of the State vice-president from any duly called meeting, a Chairman elected at the meeting shall preside. State vice-presidents shall hold office from the opening of the annual session of the general convention first ensuing after their election until the opening of the annual session of the general convention then next ensuing.

Article IX, Section 1, to read as follows:

Sec. 1. The members of the American Bankers Association in each State shall annually elect a member of the nominating committee and an alternate in such manner as shall be prescribed by the By-Laws. It shall be the duty of such nominating committee to meet as soon as practicable after the first adjournment of the gen-

eral convention, assembled in annual session, next ensuing after their election, at the call of the General Secretary of the Association, and organize by the selection of a Chairman and Secretary from their number. They shall recommend a candidate or candidates for President of the Association, and a candidate or candidates for Vice-President of the Association, and the Nominating Committee shall make report of its recommendations so made, to the general convention, at any subsequent session of the general convention, but prior to the order fixed by program for the election of officers. The nominations or recommendations made by the Committee shall not exclude the name of any person otherwise nominated in the convention, and under the regular order for the election of officers any delegate may place in nomination, any qualified member for President or Vice-President, or both.

Article II, Section 7, to read as follows:

The word "State" or "States" as in this Constitution contained shall be held and construed to include the District of Columbia, Alaska, Hawaii, Porto Rico, the Philippines and the Panama Canal Zone.

Explanatory note:

By-Law fifth is proposed to be amended so that instead of each group electing a Vice-President and member of the Nominating Committee, each State in the group is given this right which is extended to all the Territories and Dependencies, for Article II, Section 7, is proposed to be amended by including in the word "State" all such Territories and Dependencies. Article IV, Section 3, providing for State and group Vice-Presidents, has been correspondingly amended as has also Article IX, Section 1, providing for election of members of the Nominating Committee. In all these also, provision is made for the election of an alternate member of the Nominating Committee who may act in the absence of the regularly elected member. The time and place of election for all States that have no State Bankers' Association is fixed at the annual convention. A provision is also inserted requiring that a State Vice-President or member of the Nominating Committee shall be qualified as a delegate. Such a qualification for members of the Executive Council is provided in Article V, Sec. 4.

**Place of Annual Meeting of Sections.**

By-Law sixth: Adding at the end thereof the following:

No section, except the American Institute of Banking Section, shall hold its annual meeting at any other time or place than that of the annual session of the American Bankers Association.

Note.—The above is the substance of a motion made and carried at the meeting of the Executive Council, October 9, 1913. To give it effective force it should be contained in the By-Laws.

**Addition of Group V and Change in Method of Election of Council Members Representing Groups.**

By-Law fourth, subdivision (c) to read as follows:

(c) States having less than one hundred members of the American Bankers Association within their respective borders and which are not hereinbefore provided for, shall be grouped as follows, to wit:

Group No. 1 shall be composed of the States of New Hampshire and Vermont.

Group No. 2 shall be composed of the States of Delaware and Rhode Island.

Group No. 3 shall be composed of the States of Arizona and New Mexico.

Group No. 4 shall be composed of the States of Utah, Wyoming and Nevada.

Group No. 5 shall be composed of Porto Rico, the Canal Zone, the Island of Hawaii, the Philippines and Alaska.

Each group with the exception of Group No. 5 shall be entitled to one member of the Executive Council. The members of the Association in each State in each group except Group No. 5 shall have the right to select in rotation a member of the Executive Council to represent their particular group. The order of rotation of the States in each group shall be as above set forth. Such selection in any State having a State Bankers' Association shall be in the same manner and be governed by the same rules of procedure as provided in subdivision (b) for the election of members of the Executive Council from States having more than one hundred members of the American Bankers Association. In any State having no State Bankers' Association the election shall be made by the members from such State attending the annual convention of the Association at a meeting called and presided over by the Vice-President for such State at an appropriate time prior to the organization of the new Executive Council. Any contest arising from such election shall be heard and determined by the Executive Council. Provided that a member of the Executive Council from any State in any such group at the time of the adoption hereof shall be and remain the member of the Executive Council for the group to which his State is attached until the expiration of his then term of office as a member of the Executive Council.

Note.—Subsection (c) has been rewritten. The amendment provides several changes as follows:

Group 5 has been added. At the Boston Convention (see pages 309-312, Proceedings, 1913) the subject of the status of Hawaii under the new Constitution was brought up and it was suggested there should be a new group composed of the territories of Hawaii and Alaska. The matter was referred to the next meeting of the Executive Council. At the meeting of the Council at Boston, October, 9, 1913, Mr. Wexler offered a proposed amendment to the Constitution "that a fifth group shall be organized composed of Porto Rico, the Canal Zone, the Island of Hawaii, the Philippines and Alaska." It was pointed out that after this amendment was adopted by three-fourths of the Council it would not become operative until approved by a majority vote of the next convention; further that the amendment would only carry with it the power to have a vote in the making of nominations for Presidents and Vice-Presidents, but would not give the group any representation on the Executive Council until their combined membership reaches 100. The amendment was unanimously adopted by the Council. It is therefore inserted as an additional group in the draft of subsection (c).

The proposed amendment of subsection (c) also does away with the election of members of the Executive Council to represent the groups by conferees. This method has given dissatisfaction and is impracticable. In place thereof it is proposed that the member of the Council representing the group (except Group No. 5 whose combined membership being less than 100 is not entitled to representation on the Council) shall be elected by the States in the group in rotation at the annual convention of the State Bankers' Association in the same manner as members of the Council are elected from States having over one hundred members. The order of rotation of the States has been changed from that of the present By-Law making New Hampshire first in order in Group No. 1, Delaware in Group No. 2 and Utah in Group No. 4, because these groups are now represented by members from these States. Group No. 3 remains the same because therein Arizona is first named and the present Council member is from that State. Of all the States in the first four groups Rhode Island alone has no State Bankers'

Association. For that reason there is a special provision that in any State not having a State Bankers' Association the election of the member of the Council representing the group shall be at the time and place of the annual convention of the Association by the members from that State.

#### Decrease of State Membership and Council Representation.

By-Law fourth: Adding at the end of subdivision (b) thereof the following:

Provided further that if after the election of one or more members of the Executive Council from any State, the number of members of the Association in such State shall fall below the number necessary to entitle such State to all its elected members, the member last elected shall cease to be a member of the Executive Council until the membership in the State reaches the requisite number. In case two or more members have been elected at the same time, one or more of whom would be ineligible as above, the determination of which shall cease to be a member shall be by lot in a way to be provided by the General Secretary. This amendment shall not apply to members already elected.

#### Term of Office of Treasurer.

Section 9 of Article V: Adding thereto the following:

The term of office of the Treasurer shall begin on December first following the date of his election by the Executive Council.

Note.—This amendment is suggested for the reason that it is impracticable immediately upon the election of a new Treasurer for the old Treasurer to make transfer of the funds of the Association. The date of meeting of the new Executive Council at which the Treasurer is elected varies. The new fiscal year of the Association begins September first. Drafts for dues of members are then sent out and are in process of collection until November 30th. During this process it is impracticable to make a transfer of funds and the custom has therefore been established of making such transfer on December first.

#### OFFICERS OF THE AMERICAN BANKERS ASSOCIATION, 1914-1915.

President—William A. Law, First Vice-President First National Bank, Philadelphia, Pa.

Vice-President—James K. Lynch, Vice-President First National Bank, San Francisco, Cal.

General Secretary—Fred. E. Farnsworth, Five Nassau Street, New York City.

Treasurer—J. W. Hoopes, Vice-President and Cashier City National Bank, Galveston, Tex.

Assistant Secretary—William G. Fitzwilson, Five Nassau Street, New York City.

General Counsel—Thomas B. Paton, Five Nassau Street, New York City.

Manager Protective Department—L. W. Gammon, Five Nassau Street, New York City.

Manager Department of Public Relations—A. D. Weston, Five Nassau Street, New York City.

#### EXECUTIVE COUNCIL.

##### Members Ex-officio.

William A. Law, First Vice-President First National Bank, Philadelphia, Pa.

James K. Lynch, Vice-President First National Bank, San Francisco, Cal.

William Livingstone, President Dime Savings Bank, Detroit, Mich.

Arthur Reynolds, President Des Moines National Bank, Des Moines, Ia.

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**Members for One Year.**

Morris Goldwater, President Com. Trust & Savings Bank, Prescott, Ariz.  
L. P. Behrens, Cashier First National Bank of San Mateo County, Redwood City, Cal.  
Joseph A. McCord, Vice-President Third National Bank, Atlanta, Ga.  
J. E. Clinton, Jr., Vice-President Boise City National Bank, Boise, Idaho.  
Edgar E. Crabtree, Vice-President F. G. Farrell & Co., Jacksonville, Ill.  
W. T. Fenton, Vice-President National Bank of the Republic, Chicago, Ill.  
Joseph R. Voris, President Citizens National Bank, Bedford, Ind.  
H. M. Carpenter, President Monticello State Bank, Monticello, Iowa.  
E. E. Ames, Vice-President Central National Bank, Topeka, Kan.  
E. S. Kennard, Cashier Rumford National Bank, Rumford, Maine.  
Downie D. Muir, Vice-President First National Bank, Boston, Mass.  
William A. Mackle, Cashier First National Bank, New Bedford, Mass.  
Dudley E. Waters, Chairman of the Board, Grand Rapids National City Bank, Grand Rapids, Mich.  
J. W. Wheeler, Vice-President Capital National Bank, St. Paul, Minn.  
J. S. Calfee, Cashier Mechanics-American National Bank, St. Louis, Mo.  
A. D. Buckner, Cashier Paris National Bank, Paris, Mo.  
W. H. Bucholz, Vice-President Omaha National Bank, Omaha, Neb.  
H. G. Parker, President National Bank of New Jersey, New Brunswick, N. J.  
Walter H. Bennett, Vice-President American Exchange National Bank, New York, N. Y.  
D. C. Wills, Cashier Diamond National Bank, Pittsburgh, Pa.  
J. L. Hutton, President Mercantile National Bank, Memphis, Tenn.  
D. M. Armstrong, Cashier Commercial Trust & Savings Bank, Memphis, Tenn.  
W. F. McCaleb, President West Texas Bank & Trust Company, San Antonio, Texas.  
Frank Knox, President National Bank of the Republic, Salt Lake City, Utah.  
W. D. Vincent, Vice-President Old National Bank, Spokane, Wash.  
E. M. Wing, Vice-President Batavian National Bank, La Crosse, Wis.

**Members for Two Years.**

McLane Tilton, Jr., President First National Bank, Pell City, Ala.  
Charles M. Blocker, Treasurer State Savings & Trust Company, Texarkana, Ark.  
Stoddard Jess Vice-President First National Bank, Los Angeles, Cal.  
Harry M. Rubey, Cashier Woods-Rubey National Bank, Golden, Colo.  
Martin H. Griffing, Cashier City National Bank, Danbury, Conn.  
Wilmer Palmer, President Wilmington Savings Fund Soc., Wilmington, Del.  
Eugene W. Stetson, President Citizens National Bank, Macon, Ga.  
Nelson N. Lampert, Vice-President Fort Dearborn National Bank, Chicago, Ill.  
Walter W. Bonner, Cashier Third National Bank, Greensburg, Ind.  
John McHugh, President First National Bank, Sioux City, Iowa.  
W. E. Brown, Cashier George W. Brown & Son State Bank, Augusta, Kans.  
W. B. Copper, Cashier Third National Bank, Chestertown, Md.  
George E. Lawson, Vice-President Peoples State Bank, Detroit, Mich.  
J. B. Galarneau, Cashier Aitkin County State Bank, Aitkin, Minn.

W. J. Johnson, Cashier First National Bank, Lewistown, Mont.  
C. E. Burnham, President Norfolk National Bank, Norfolk, Neb.  
Walter M. Van Deusen, Cashier National Newark Banking Company, Newark, N. J.  
Cornelius A. Pugsley, President Westchester County National Bank, Peekskill, N. Y.  
Delmer Runkle, President Peoples National Bank, Hoosick Falls, N. Y.  
C. A. Hinsch, President Fifth-Third National Bank, Cincinnati, Ohio.  
W. P. Sharer, President First National Bank, Zanesville, Ohio.  
Asa E. Ramsay, Vice-President First National Bank, Muskogee, Okla.  
B. M. Marlin, Treasurer Union Banking & Trust Company, Du Bois, Pa.  
J. Pope Matthews, Cashier Palmetto National Bank, Columbia, S. C.  
George E. Webb, President First National Bank, San Angelo, Tex.

**Members for Three Years.**

A. E. Edwards, Cashier First National Bank, Pasadena, Cal.  
H. H. McKee, Cashier National Capital Bank, Washington, D. C.  
J. A. Griffin, Cashier Exchange National Bank, Tampa, Fla.  
H. E. Otte, Vice-President National City Bank, Chicago, Ill.  
W. C. White, President Illinois National Bank, Peoria, Ill.  
J. A. S. Pollard, Cashier Fort Madison Savings Bank, Ft. Madison, Iowa.  
W. H. Burks, Cashier Security State Bank, Wellington, Kans.  
Charles F. Hoge, President State National Bank, Frankfort, Ky.  
J. H. Fulton, President Commercial National Bank, New Orleans, La.  
Walker Broach, Vice-President First National Bank, Meridian, Miss.  
H. B. McDaniel, President Union National Bank, Springfield, Mo.  
Robert H. Treman, President Tompkins County National Bank, Ithaca, N. Y.  
George G. Clarabut, Cashier Farmers National Bank, Rome, N. Y.  
W. C. Wilkinson, Cashier Merchants & Farmers National Bank, Charlotte, N. C.  
F. W. Cathro, Cashier First National Bank, Bottineau, N. D.  
W. C. Macfadden, Secretary North Dakota Bankers Association, Fargo, N. D.  
L. F. Klesewetter, V.-P. and Cashier Ohio National Bank, Columbus, Ohio.  
W. S. Guthrie, Vice-President Farmers National Bank, Oklahoma City, Okla.  
R. W. Schmeer, Cashier United States National Bank, Portland, Ore.  
Charles S. Calwell, President Corn Exchange National Bank, Philadelphia, Pa.  
William H. Painter, Cashier West Branch National Bank, Williamsport, Pa.  
Montgomery Evans, President Norristown Trust Company, Norristown, Pa.  
E. J. Miller, Cashier First National Bank, Huron, S. Dak.  
J. E. Platt, President Security Bank, Clark, S. Dak.  
F. F. Downs, President First National Bank, Temple, Texas.  
Tench F. Tilghman, Vice-President and Cashier Citizens Bank, Norfolk, Va.  
James D. Hoge, President Union Savings & Trust Company, Seattle, Wash.  
Edward Nelly, Cashier Wood County Bank, Parkersburg, W. Va.  
George N. Fratt, Cashier First National Bank, Racine, Wis.

**Group 1—Vermont and New Hampshire.**

William F. Thayer, President First National Bank, Concord, N. H.

**Representing Trust Company Section.**

Ralph W. Cutler, President Hartford Trust Company, Hartford, Conn.  
John H. Mason, Vice-President Commercial Trust Company, Philadelphia, Pa.

**Representing Savings Bank Section.**

Wm. E. Knóx, Comptroller Bowery Savings Bank, New York, N. Y.  
N. F. Hawley, Treasurer Farmers & Mechanics Savings Bank, Minneapolis, Minn.

**Representing Clearing House Section.**

A. O. Wilson, Vice-President State National Bank, St. Louis, Mo.

**Representing American Institute of Banking Section.**  
Wm. S. Evans, Henry & West, Philadelphia, Pa.**Representing State Secretaries' Section.**

W. W. Bowman, Secretary Kansas Bankers' Association, Topeka, Kans.

**VICE-PRESIDENTS FOR THE DIFFERENT STATES AND TERRITORIES.**

Alabama—S. McGaughy, Vice-President First National Bank, Gadsden.  
Arkansas—George B. Colvin, President First National Bank, Perryville.  
California—H. S. Fletcher, President Bank of Watsonville, Watsonville.  
Colorado—Fred O. Roof, Vice-President Minnequa Bank of Pueblo, Pueblo.  
Connecticut—N. D. Prince, Vice-President and Cashier Windham County National Bank, Danielson.  
Delaware—Daniel W. Corbit, President New Castle County National Bank, Odessa.  
District of Columbia—B. F. Saul, President Home Savings Bank, Washington.  
Florida—S. J. Harvey, President First National Bank, Milton.  
Georgia—Z. H. Clark, Vice-President and Cashier Moultrie Banking Co., Moultrie.  
Idaho—Wm. Thomson, President Lewiston National Bank, Lewiston.  
Illinois—Melvin A. Traylor, Vice-President The Live Stock Exchange National Bank, Chicago.  
Indiana—George F. Quick, President Continental National Bank, Indianapolis.  
Iowa—L. A. Andrews, President Citizens' Savings Bank, Ottumwa.  
Kansas—L. H. Wulfekuhler, Vice-President Wulfekuhler State Bank, Leavenworth.  
Kentucky—H. C. Sharp, Cashier State National Bank, Maysville.  
Louisiana—D. D. Curran, Vice-President Canal Bank & Trust Company, New Orleans.  
Maine—Sewall D. Maddocks, Cashier First National Bank, Boothbay Harbor.  
Maryland—Levi B. Phillips, President National Bank of Cambridge, Cambridge.  
Massachusetts—Ralph P. Alden, Cashier Springfield National Bank, Springfield.  
Michigan—Wm. J. Gray, Vice-President First and Old Detroit National Bank, Detroit.  
Minnesota—George E. Hanscome, Vice-President Merchants' National Bank, St. Cloud.  
Mississippi—W. P. Kretschmar, President Commercial Savings Bank, Greenville.  
Missouri—C. G. Lang, Assistant Cashier Kahoka Savings Bank, Kahoka.  
Montana—J. K. Heslet, Assistant Cashier W. A. Clark & Brother, Butte.  
Nebraska—T. L. Mathews, President Fremont State Bank, Fremont.  
New Jersey—Henry C. Winsor, President Asbury Park & Ocean Grove Bank, Asbury Park.

New Mexico—R. J. Palen, President First National Bank, Santa Fe.  
New York—B. E. Smythe, Cashier Gramatan National Bank, Bronxville.  
N. Carolina—Leake S. Covington, Cashier Farmers' Bank, Rockingham.  
N. Dakota—George H. Hollister, President Northern Trust Company, Fargo.  
Ohio—W. C. Caine, Cashier Bank of Commerce, N. A., Cleveland.  
Oklahoma—O. J. Fleming, President Enid National Bank, Enid.  
Oregon—W. H. Gore, President Medford National Bank, Medford.  
Pennsylvania—A. S. Beymer, Cashier Keystone National Bank, Pittsburgh.  
S. Carolina—John M. Kinard, President Commercial Bank, Newberry.  
S. Dakota—Z. A. Crain, President Redfield National Bank, Redfield.  
Tennessee—R. E. Mooney, Cashier City National Bank, Knoxville.  
Texas—P. B. Doty, Vice-President Gulf National Bank, Beaumont.  
Utah—A. P. Bigelow, Cashier Odgen State Bank, Ogden.  
Vermont—A. H. Chandler, Treasurer Bellows Falls Trust Company, Bellows Falls.  
Virginia—Joseph M. Hurt, Cashier Citizens' Bank of Blackstone, Blackstone.  
Washington—J. W. Spangler, Vice-President Seattle National Bank, Seattle.  
West Virginia—H. H. Emmert, President Old National Bank, Martinsburg.  
Wisconsin—Earle Pease, Vice-President First National Bank, Grand Rapids.  
Wyoming—C. R. Massey, Vice-President Bank of Commerce, Sheridan.

**COMMITTEES OF THE ASSOCIATION.****Currency Commission.**

A. B. Hepburn, Chairman of Board, Chase National Bank, New York City, Chairman.  
Jas. B. Forgan, President First National Bank, Chicago, Ill., Vice-Chairman.  
Myron T. Herrick, President Society for Savings, Cleveland, Ohio.  
Festus J. Wade, President Mercantile Trust Co., St. Louis, Mo.  
Joseph T. Talbert, Vice-President National City Bank, New York City.  
George M. Reynolds, President Continental & Commercial National Bank, Chicago, Ill.  
John Perrin, of Perrin, Drake & Riley, Inc., Los Angeles, Cal.  
Luther Drake, President Merchants' National Bank, Omaha, Neb.  
Sol. Wexler, President Whitney-Central Nat. Bank, New Orleans, La.  
Robert Wardrop, President People's National Bank, Pittsburgh, Pa.  
E. F. Swinney, President First National Bank, Kansas City, Mo.  
Joseph A. McCord, Vice-President Third National Bank, Atlanta, Ga.  
J. F. Sartori, President Security Trust & Savings Bank, Los Angeles, Cal.  
Levi L. Rue, President Philadelphia National Bank, Philadelphia, Pa.  
E. L. Howe, Vice-President Princeton Bank, Princeton, N. J.  
Frederick E. Farnsworth, New York, Secretary.

**AGRICULTURAL COMMISSION.****SPECIAL COMMITTEE.**

B. F. Harris, President First National Bank, Champaign, Ill., Chairman.  
To be appointed by the Administrative Committee.

## INCLUDING BULLETIN OF THE AMERICAN INSTITUTE OF BANKING

### INSURANCE COMMITTEE.

#### SPECIAL COMMITTEE.

Oliver J. Sands, President American National Bank, Richmond, Va., Chairman.  
H. P. Beckwith, Vice-President Northern Savings Bank, Fargo, N. D.  
H. G. Parker, President National Bank of New Jersey, New Brunswick, N. J.  
B. A. Ruffin, Richmond, Va., Secretary.

#### SPECIAL COMMITTEE.

Committee to confer with the authorities at Washington to secure the adoption of such amendments to the Federal Reserve Act as shall make it more desirable for State banking institutions to join the Federal Reserve System.

President Law was authorized by the Convention to appoint such committee of twelve. The Trust Company and Savings Bank Sections having recommended their representatives.

#### Representing Trust Companies:

Uzal H. McCarter, President Fidelity Trust Company, Newark, N. J.  
John W. Flatten, President United States Mortgage & Trust Company, New York City.  
John H. Mason, Vice-President Commercial Trust Company, Philadelphia, Pa.

#### Representing Savings Banks:

William E. Knox, Comptroller Bowery Savings Bank, New York City.  
R. C. Stephenson, Vice-President St. Joseph County Savings Bank, South Bend, Ind.  
B. F. Saul, President Home Savings Bank, Washington, D. C.

#### Representing National Banks:

Daniel G. Wing, President First National Bank, Boston Mass.  
P. W. Goebel, President Commercial National Bank, Kansas City, Kan.  
L. G. Kaufman, President Chatham & Phenix National Bank, New York City.  
Representing Commercial State Banks:  
E. C. McDougal, President Bank of Buffalo, Buffalo, N. Y.  
George E. Lawson, Vice-President Peoples State Bank, Detroit, Mich.  
Mills B. Lane, President Citizens & Southern Bank, Savannah, Ga.

### STANDING COUNCIL COMMITTEES.

#### Committee on Law.

##### One-year Term.

E. E. Crabtree, Vice-President F. G. Farrell & Company, Jacksonville, Ill.  
Dudley E. Waters, Chairman of the Board, Grand Rapids National City Bank, Grand Rapids, Mich.

##### Two-year Term.

E. W. Stetson, President Citizens National Bank, Macon, Ga.  
Cornelius A. Pugsley, President Westchester County National Bank, Peekskill, N. Y.

##### Three-year Term.

J. A. S. Pollard, Cashier Fort Madison Savings Bank, Fort Madison, Iowa.  
H. H. McKee, Cashier National Capital Bank, Washington, D. C.

#### Committee on Federal Legislation.

##### One-year Term.

E. M. Wing, Vice-President Batavian National Bank, La Crosse, Wis.  
W. H. Bucholz, Vice-President Omaha National Bank, Omaha, Neb.

##### Two-year Term.

John McHugh, President First National Bank, Sioux City, Iowa.  
C. A. Hinsch, President Fifth-Third National Bank, Cincinnati, Ohio.

#### Three-year Term.

J. H. Fulton, President Commercial National Bank, New Orleans, La.  
James D. Hoge, President Union Savings and Trust Company, Seattle, Wash.

#### Committee on Membership.

##### One-year Term.

E. S. Kennard, Cashier Rumford National Bank, Rumford, Maine.

##### Two-year Term.

Martin H. Griffing, Cashier City National Bank, Danbury, Conn.

##### Three-year Term.

Robert H. Treman, President Tompkins County National Bank, Ithaca, N. Y.

#### Administrative Committee.

Wm. A. Law, Vice-President First National Bank, Philadelphia, Pa., President of the Association.

##### One-year Term.

Walter H. Bennett, Vice-President American Exchange National Bank, New York, N. Y.

##### Two-year Term.

W. M. Van Deusen, Cashier National Newark Banking Company, Newark, N. J.

#### Finance Committee.

James K. Lynch, Vice-President First National Bank, San Francisco, Cal., First Vice-President of the Association, Chairman.

J. W. Hoopes, Vice-President and Cashier City National Bank, Galveston, Texas; Treasurer of the Association.

##### One-year Term.

Downie D. Muir, Vice-President First National Bank, Boston, Mass.

W. F. McCaleb, President West Texas Bank & Trust Company, San Antonio, Texas.

Frank Knox, President National Bank of the Republic, Salt Lake City, Utah.

##### Two-year Term.

George E. Lawson, Vice-President People's State Bank, Detroit, Mich.

Nelson N. Lampert, Vice-President Fort Dearborn National Bank, Chicago, Ill.

##### Three-year Term.

Walter W. Bonner, Cashier Third National Bank, Greensburg, Ind.

W. C. White, President Illinois National Bank, Peoria, Ill.

A. E. Edwards, Cashier First National Bank, Pasadena, Cal.

H. E. Otte, Vice-President National City Bank, Chicago, Ill.

#### Sub-committees of Finance Committee.

The Finance Committee authorized Chairman Lynch to make these appointments.

#### Protective Committee.

This Committee is composed of three members and, under the Constitution, their names are not made public.

On JOURNAL-BULLETIN to report as to the advisability of the separation of the JOURNAL and the BULLETIN and sending out the Legal Department and the Protective Department Sections in unattached form and to enlarge the character of the JOURNAL, making it more valuable as a publication to its subscribers.

#### SPECIAL COMMITTEE.

W. F. McCaleb, President West Texas Bank & Trust Company, San Antonio, Texas.

B. M. Marlin, Treasurer Union Banking & Trust Company, Du Bois, Pa.

A. E. Edwards, Cashier First National Bank, Pasadena, Cal.

### ADDRESS OF MR. ARTHUR REYNOLDS AT THE RICHMOND CONVENTION.

The American Bankers Association is recognized as one of the most important and potential voluntary organizations of the present time.

It is indeed an honor and a pleasure to be permitted to preside over this meeting on the fortieth anniversary of this great Association.

I feel that the membership is to be congratulated upon the wonderful growth and progress that the Association has had.

I predict that the work has only begun, and in the future its influence will be exerted as a still greater force for good.

During the past year your Association has continued to show its usual progress and development of those activities which its permanent policy has proven beneficial, not only to the banking business, but in its relations to the public.

Upon the membership of any organization or association depends its success or failure. It is not only a question of members, but more that of purpose and the character of those who join together in a single body for common good.

That the American Bankers Association has continued to grow and become more useful, not only to its own members, but to the nation as well, is an indication that its inception was grounded in correct principles and that its policies are enlisting popular support.

With a membership now of about 15,000, I feel the Association is to be congratulated upon the increase which has been made during the past year, for only a limited number of banks may become members and our membership is already very large.

The wisdom of the creation of the Executive Council has been demonstrated through a successful experience of many years and the work of that body during the past year has called for more than ordinary responsibility which its members have fully assumed.

The activities of all the sections and committees and commissions of your Association have, during the past year, been maintained at their former standards of efficiency and their work has not only met with the approval of the membership, but has also engaged the attention of the people, and in view of the fact that the Secretary's report, as well as the reports of these bodies, cover full details of the progress made by these various branches of the organization, I deem it unnecessary to refer to them in detail.

Your General Secretary has been industrious and energetic in the conduct of your affairs and is entitled to your gratitude and commendation.

In my connection, extending over a period of years with the Association, I have always been impressed with the spirit of co-operation and loyalty exhibited by the members and the various sections and committees and never more so than during the year just past, covering my official relations with the Association, and I desire to acknowledge the splendid support which you have extended to all of the Administrative Officers of the Association.

### RECONSTRUCTING THE FINANCIAL SYSTEM.

Among the bankers of the country and especially at the meetings of your Association, the principal topic of interest and discussion for years has been the one relating to the question of so reconstructing our financial system as to make it safe and serviceable for modern business requirements.

The Federal Reserve Banks now in process of formation have enlisted the support of all the National banks of the country, by reason of the provisions of the act, which compelled them to subscribe to the stock of Federal banks or forfeit their charters, and notwithstanding the differences which have existed, the National bankers have submerged their opinions and are extending the system a cordial support.

A limited number of banks and trust companies organized under State laws have also come into the system, but not to the extent necessary to warrant the anticipation of that complete unification of our entire banking system so long desired.

All those banks which have joined are giving the

system their hearty support, but only the wisdom of management by the directors and officers of the various Reserve Banks, and of the Federal Reserve Board, can insure the success of the experiment.

### PAYMENT OF RESERVE BANK CAPITAL.

It was asserted by some during the discussion preceding the enactment of the bill that the withdrawal from the channels of trade of the large sum necessary to capitalize the Federal Reserve Banks, as well as the reserve required to be deposited with them, would work a disastrous contraction of credit.

On the other hand, it was pointed out that the privilege the member banks had of rediscounting with the Federal Reserve Banks would at once relieve the situation, and hence no contraction of credit was to be anticipated.

Those in charge of the measure, however, yielded to the advice of the bankers, and reduced the percentage of subscription, and spread the deposit of the reserves over a period of thirty-six months.

The principal object in view by the originators of the plan was to add stability to our banking by devising a system that would alleviate the periodical stringencies to which business in this country was subjected, and to prevent those disastrous panics which followed. Any operation under the system which by an immediate return to the channels of commerce by the rediscounting plan, to prevent the contraction incident to the withdrawal of so large a sum from business, would, to that extent, defeat the ability of the Federal Reserve Banks to relieve any stringency. It seems to me that if these banks are to be always in a condition to ward off disaster that we will, at the beginning, be compelled to submit ourselves to some contraction. To hold both positions is illogical, if not impossible.

It may be said that the reduction in the reserve requirement of the National Banks under the new law will release funds to alleviate the strain, and so, indeed, it will, if the banks will use them for that purpose.

### STATUTORY AND SAFE RESERVES.

It may, however, be pointed out here that a statutory reserve is not necessarily a safe reserve, as the reserve requirement of every properly managed bank depends upon the character of its business, rather than upon legal enactment.

The rule of the banker must be "safety first," regardless of contraction. He owes this duty to both his depositors and stockholders.

What, then, will be the course of those managing the Federal Reserve Banks? They must cause a contraction of credit if they keep impounded the means to at all times relieve distress, and if they rediscount at once and freely, they deprive themselves of the ability to do so.

It will require rare wisdom, indeed, to meet so contradictory a situation.

If we had any assurance that the Federal Reserve Banks would hold large deposits aside from those which the government may place with them, there might be a workable margin, but as both the capitalization and deposits of the reserve are forced, I see no inducement for member banks to keep active accounts with the Federal Reserve Banks beyond the amount of the required reserve. Their commercial relations with the other banks of the country will always be more productive, and at the same time conform to the natural trend of business; besides which they now receive interest on their daily balances kept with their correspondents.

### EXPANSION OF CREDIT.

The expansion of credit in the operation incident to rediscounting by the Federal Reserve Banks will become apparent immediately upon its consummation, and by the injection of the notes at the same time expand our circulation.

I have not yet heard any argument advanced which justifies the conclusion that they will be as rapidly retired when they have served the purpose of issue. Under present methods, if the customer of a bank obtains the use of credit, whether it be an

individual, another bank or corporation, the extension of credit takes some form of a credit instrument which does not remain in existence for more than a few days and works no increase in our circulation.

To the extent, therefore, that the notes of the Federal Reserve Banks remain in the hands of the people and in the possession of other banks they will be redundant.

No continued effort to retire any of our circulating medium has ever been made since the Civil War. The National Bank notes have shown a steadily increasing volume. The endeavor of the Government to reduce the amount of the legal tender notes was in response to public demand, discontinued shortly after its inception, and over \$340,000,000 of this class of currency is still in use.

As there is only a partial retirement provided for in the bill it will depend upon the Federal Reserve Banks themselves, and upon the judgment of their directors to determine when, and to what extent, they shall prevent undue expansion of the new currency.

#### EFFECT IN BANKING PROFIT.

With the practicability of the plan admitted the question that naturally propounds itself to those engaged in banking is, how will its operation affect the profits of their business. Reasoning from the fact that the Federal Reserve Banks will not enter into competition for the commercial business of the country and for the reason that they will be obliged to quote a rate of discount at least as high, if not higher, than commercial rates in order to maintain the resources necessary to enable them to extend help in need, I believe the conclusion is warranted that in the future, as in the past, rates of interest will be governed by the law of supply and demand.

The Federal Reserve Banks have no way of increasing the supply of actual money in existence; if they had, they might reduce rates. Their most efficient help in that connection may at times result from raising rates to stabilize conditions.

It is only necessary to cite the fact that in those countries which depend upon their central banks to maintain the stability of conditions which in their experience has prevented those panics to which we have been subjected, we find those central banks maintaining a discount rate always higher than the commercial rate in the same country.

In England, where banks seldom rediscount with the Bank of England, it maintains the higher rate, and in Germany and France, where they rediscount more freely with their central banks, the same policy prevails. All these central institutions seemingly realize that by such a course only can they harbor their resources.

#### REDISCOUNTING FOR PROFIT.

The benefits of the operation of the new system will become apparent with the lapse of time. It was not enacted to meet a pending emergency, and too much must not immediately be expected. The change will be gradual and should be regarded as an evolution in the banking business, during which the bankers themselves must rely upon their own resources, and conservation should be the watchword. Any effort to utilize the rediscounting privilege primarily for profit should be discouraged.

It must always be kept in mind that to realize the chief object which Congress had in view the Federal Reserve Banks must always be ready to extend help; they cannot maintain this position if the member banks keep them drained of their resources in ordinary times.

One of the deficiencies of our present National banking system is our inability to establish or maintain a foreign exchange market. The new system opens the way to supply this long-felt want. While a single central institution could more easily control the exportation of gold, by the operation of such a market, yet by proper action the Federal Reserve Board may so co-ordinate the business of the twelve Reserve Banks as to produce the desired result.

#### INVESTMENT IN FOREIGN BILLS.

If the Federal Reserve Banks will, in ordinary times, invest a large part of their surplus funds in

foreign bills, instead of solely in rediscounts to domestic banks, such action will serve a double purpose. First, it will aid in maintaining our gold reserve, which is the foundation of credit extension, as foreign countries cannot call upon us for that metal if we force sale of such bills upon their markets. Secondly, the resources of the Federal Reserve Banks, by reason of the greater liquidity of the foreign bills, will be at all times more ready to respond to business needs. The limited character of business to which the Federal Reserve Banks are confined by the act does not warrant the presumption of excessive profits, and the limitation of the dividends to 6 per cent. was a wise provision, indicating that they have not been established primarily for profit.

Such a policy at the same time would furnish a source of profit to these banks. It is this class of business that is sought by the bankers of Great Britain and its ramifications extending all over the world have made London its financial center. Had our financial relations with other countries been established upon such a basis, and our foreign exchange massed and controlled by a single agency, we would have been in a position to check the recent outflow of gold. Instead we were obliged to close our exchange and practically refuse payment.

#### GOVERNMENT DEPOSITS.

One feature of the act creating the Federal Reserve Banks, to which little, if any, reference has been made, is found in that clause of the law which leaves to the discretion of the Secretary of the Treasury the continuance or discontinuance of the United States Independent Treasury system.

It has been popularly supposed that with the opening of the Federal Reserve Banks, Government funds would be deposited in those banks, and the independent treasury system and its consequent expense, both to the Government and the business of the country, would be a thing of the past.

A careful reading of the law, however, discloses the fact that its authors had no such intention, and that if Government funds are deposited in these banks, or if they are appointed fiscal agents for the Government, it will be at the discretion of the Secretary of the Treasury alone and that the bill does not provide for the abolition of the present system.

It is a just criticism of the measure to say that it does not take the Government out of the banking business, and that it confers upon one of our Government officials an extraordinary power and discretion, unwarranted by the spirit of our institutions and repugnant to republican principles.

#### POWER OF SECRETARY OF TREASURY.

There is no reason why the funds of the Government, taken from the people by taxation, should be handled in other than a business method. To avoid the alternate contraction and expansion in the quantity of circulation incident to the collection and disbursement of the vast sums handled by the Government, they should be deposited and checked against just as the funds of business institutions are and beyond individual control. The power here conferred upon the Secretary of the Treasury to control money and credit, if attempted by the members of this Association, would probably call for a special act of Congress to curtail their activities.

During the lengthy discussions over the modifications of the Federal Reserve Act, and especially those relating to the Federal Reserve Board, the bankers of the country exhausted every effort to obtain that representation, by provision in the law, to which their interests clearly entitled them.

#### THE ADVISORY COUNCIL.

Failing in that effort they obtained in lieu of what they should have had a clause authorizing an advisory council, similar to that in vogue in Germany.

While the powers of this council are confined to specified activities, yet from the character and experience of the men who will be chosen by the directors of the various banks, it should wield an influence upon the administration of the system that was denied them in its management.

The Federal Reserve Board must convene the Council at least four times each year and it has the right to make such recommendations in relation to the general affairs of the reserve banking system as its wisdom may dictate. It may also meet at its own discretion and has power to call for the information necessary to keep it fully advised of events and conditions in all matters relating to the system.

The experience in Germany has been that the advice of its Council in the conduct of the Reichs bank is rarely refused and generally followed. This result is logical, and as those in charge of the new system become involved in the intricacies of the financial system of this great nation they may be glad to avail themselves of its assistance.

Even a political board, when advised by men competent to demonstrate the principles which underlie the difficult problems of finance, will welcome such help.

The fundamental features of the bill organizing the Federal Reserve Banks are in the main sound and the establishment of the Advisory Council may furnish the balance without which the system might be deficient.

#### NEW PROBLEMS.

As the various problems in the management of the new banks arise others than those mentioned will no doubt come up for solution. With competent directors of the class already chosen for the banks and with the Federal Reserve Board already organized, composed of men both capable and experienced, we may look with confidence for a proper solution of any difficulties that may appear. None more than the bankers have for years been earnestly demanding some change in our former system, and it may be confidently predicted that their efforts to make it successful will be at the command of those in charge of its operations. They realize that legislation on any question can not be dictated solely by one set of men or any particular class of interests, and their suggestions and arguments during the preparation of the measure were presented forcibly and in good faith.

Now that the step has been taken, I believe they will be ready to do their full duty in bringing to the country such prosperity as we may reasonably anticipate under present conditions.

#### BUSINESS LEGISLATION.

Since our meeting of a year ago questions of serious import have been up for consideration and solution and no opportunity has been lost, either by this organization or by its members, to impress upon the public the necessity of those sound principles of public policy which make for stability and ultimate success. The work involved has been onerous and, at times, not encouraging, but the hope that right principles and sound business policies will in the end prevail, has permitted no cessation in the effort which has now assumed the task of enlightenment, upon subjects that to many people appear as intricate and abstruse.

The greater part of the energy exerted in this particular has been directed toward the many forms of legislation on the part of the general government for control of corporate action. If the tendency had been in the direction of constructive legislation, bankers and business men would have been found welcoming the effort. That they have not so construed the movement is evidenced by their repeated objections and protests. It would seem that our lawmakers had failed to recognize the momentous change which has been wrought by the great industrial expansion which has taken place throughout the entire world, and viewing it only from the standpoint of our domestic condition, are seeking to turn back the tide of progress, by repressing the organizations which the evolution of the new condition required for its continuous operation and development, and which have involuntarily sprung into existence all over the country.

#### POLITICAL CONTROL OF BUSINESS.

The political factor in the situation is the stumbling block to progress in the right direction.

Public opinion, when properly informed, will not tolerate the continuance of the present program when it realizes that such a course will handicap this country in its competition with other nations whose policies are the reverse of ours. In order to establish a theoretical "new freedom," it does not seem to me that we should be compelled to sacrifice our business progress, surrender our rights as business men, and be forced to delegate the control of our own affairs into the hands of government appointees.

The avowed theory of the proponents of this program is to protect the investor regardless of his right to manage his business for his own protection, and in face of the fact that when the control of his business has been invested in those whose selection will devolve upon political authority, we have no assurance that the experiment will be successful.

While the purpose at the beginning was ostensibly to curb some large corporations and combinations which were said to be exerting their power in a vicious manner, now the idea seems to have spread and includes all business.

These attacks have already shown their results; happiness has been succeeded by discontent; apprehension rules where confidence and optimism formerly predominated.

#### UNJUST ATTACKS IN BANKING.

The continuous and unjust attacks which have been made upon the banking business by the proponents of our recent forms of theoretical and scholastic legislation, combined with the pronounced prejudice exhibited by the administration and legislative branches of the Government, have greatly influenced an unfair public opinion.

We are to-day in the maelstrom of uncertainty; State and federal legislation for the control of business by bureaus and commissions under political domination seems to be the order of the day and the advocates of this policy are endeavoring to create prosperity by legal enactment, disregarding those agencies which have heretofore been most efficient in promoting it. They do not appear to recognize the fact that the rapid industrial development which has taken place throughout the world has produced conditions which have required radical changes in business methods.

With this wonderful onward march our country has kept pace; where formerly individual effort and disjointed interests were the instruments employed, now co-operation, both of capital and the individual, have taken their place.

#### SEA OF SOCIALISM AHEAD.

This is the grand transformation which our reformers, failing to recognize, are seeking to control by a political policy which, if logically completed, will dominate the economic policy of the people—if it does not go farther and plunge us into the sea of socialism.

In their efforts to reach a few men who have taken unfair advantage under the new conditions, they overlook the fatal handicap they are imposing upon the entire business structure of this country, under which competition with the world at large, already difficult, will be still further impeded.

If these would-be reformers were pursuing their policy in response to a great popular demand for such action, they might be justified in such a course. Aside from the usual expressions and stock promises of reform that we read every four years in the platforms of all political parties, there is no organized effort for much of the legislation that has already been enacted, or is still under consideration. The commercial organizations representing the business interests of this nation have not demanded it and, on the contrary, have protested and objected, and even labor organizations have confined their activities to those subjects which only concern their present interests.

The protests of the bankers and business men against this invasion of their liberties has not only gone unheard, but organized effort to modify some of the drastic measures proposed has been openly referred to as "conspiracy to influence legislation."

**RIGHT TO BE HEARD.**

I cannot admit that legislation upon any subject is so sacred or beyond criticism that the people who are the masters of those who must enact it shall be debarred the right to be heard, and believe that the business interests have a special claim on the attention of the lawmakers at this time. If the right of appeal is by such tactics to be denied to any class of our citizens, may they not justly fear the good intentions and doubt the wisdom of those who assume to do so.

I do not believe that the people have abandoned those principles underlying our economic structure which have enabled us to attain our present position in the business of the world.

I do not believe our law-makers desire to champion the cause of those who demand a redistribution of property, by law, if possible, or by other means, if necessary, but a logical continuation of their present course will ultimately place them in that position.

Experiences such as we are going through have been met by other nations; the rights of a people have in the past been granted by a stroke of the pen, but the liberties of a nation have never been thus suddenly subverted, and it is from gradual encroachments that such a danger comes.

But what of the remedy?

Shall what I now say to you on this important problem be simply put upon record as another of those unheeded protests that have preceded, or will the banker and the business man take heed and take action through the full exercise of their rights as citizens?

**MUST PARTICIPATE IN POLITICS.**

The time has come when we must take a more active part in the practical politics of the day, for the banker and business man to wield that influence in our government to which they are entitled must make more effective use of their citizenship in the future.

Heretofore we have contented ourselves by forwarding or adopting resolutions; now we must resort to individual effort and must ourselves take part in the work instead of relying solely upon the Chamber of Commerce, the local Board of Trade, or the State Bankers' Association.

These organizations have done well and from their representative character are justly entitled to be heard, but such work, to be effective, must be supplemented at home by the citizen, the man from whom the law-maker holds his commission. Denying the assumption that the business man has no place in politics, let him now find his true place, and by an independent, fearless exercise of his rights as a citizen, acquire his share of influence in the making of the law, as well as its administration.

In a democracy, where the majority rule, ballots are the most effective argument with the office holder. The influence exerted by this Association and the various State Bankers' Associations throughout the country, supplemented by the individual efforts of the bankers and business men in their own localities, constitute a force that properly directed may yet give us that share in the making of the laws to which we are entitled.

**POWER OF COUNTRY BANKER.**

This country is dotted over with small country banks, usually managed by men of prominence in their own communities, and their appeals to the home Congressman may be made more effective by active participation in his campaigns than by a passive acceptance of the gifts that fate may otherwise bestow.

Regardless of the activities of the reformers who would have the people believe that the banker is not to be trusted in matters in which he is directly interested, I feel sure that the general business public with whom the banks come in close touch recognize in the banker a force for good in the community in which he resides, and the daily expression of those human qualities which make for confidence and honest handling of affairs have established the banker as a friend of the people and worthy of any trust.

How absurd the idea that the banker could hope to thrive under any other condition than the prosperity of his customers; as the people succeed so does the banker. The broad competition in the banking business in this country would alone compel fair treatment. No other country in the world enjoys so many financial institutions, organized very largely to care for the requirements of individual communities.

The bankers of the country should strike out boldly and fearlessly and should refuse to permit the imputations that have been laid upon them and their business to go unchallenged. They should not allow the politicians to use them as a buffer for their own selfish purposes.

**CREATION OF PUBLIC OPINION.**

At no time in the history of our great country has there been such a necessity for cautious and conservative action as to-day, and progress can only come through the creation of a safe and sane public opinion.

The American Bankers Association has done much to aid the general situation, and I feel is to-day equipped, both in intelligence and in force of organization, for a still greater work.

While the executive officers and committees of the Association and those who voluntarily ally themselves with them have been unceasing in their efforts to promote and protect your interests, by argument and personal appeal to those in power, you should not fail to do your part. Ballots will be found more efficacious than protests; the banker and business man has an equal right with any other class of citizens to seek by co-operative action to protect his own business, not by attempted control or undue influence, but by educating the public, which is entitled to a frank expression of your opinions and judgment, through which your influence must be exerted.

**BUSINESS MAN IN PUBLIC AFFAIRS.**

Business men have too long accepted legislation without protest or criticism, through fear of more radical measures in punishment of their efforts. The time has arrived for positive action by the business man in public affairs. Upon the course which you as individuals pursue will depend the results which may be secured.

The unsettled business conditions which have existed for some time, coupled with the present worldwide disturbance, have accentuated the situation, and if we are to have any general prosperity in the near future, will depend much on whether the attacks upon business are to be continued by our law-makers and additional drastic laws passed to further disturb the situation.

Even if all the laws proposed and passed were just and proper, it would be impossible to force so many and radical business changes without the results which we have experienced.

**IMPAIRING INVESTMENT VALUES.**

Indeed, the failure to aid railroads in their reasonable requests has not only undermined the values of one of the most important investments for savings funds, which will be felt not so much by banks and business men as by the common people, the salaried man and wage-earner, and which in due time will be fully appreciated by the public. A continuation of this policy will further impair the value of these stocks and bonds in the hands of European holders, who estimate them in proportion to their earning capacity, thus inviting liquidation of these securities, which will compel additional exports of gold with its attendant business disturbance.

The business men of the country are anxious to see the end of the depressing influence of congressional interference and bureaucratic restriction; they regard present methods rather as tyrannical than liberal, and no progress toward permanent prosperity is possible under a continuation in the present course.

**AMBASSADOR HERRICK'S RURAL CREDIT PLANS.**

By R. Ingalls.

THE movement to improve rural credit facilities, which is now sweeping the country, was started in the American Bankers Association. True, Ambassador Myron T. Herrick had been agitating the subject in Ohio and New York since October 26, 1910, but the movement did not assume national importance until, on November 24, 1911, he induced the Association at its annual convention at New Orleans to pass a resolution instructing its Committee on Agricultural and Financial Development and Education "to investigate the general subject of farm financing in relation to conditions in the United States and to consider the advisability of having the American Bankers Association actively encourage and assist in procuring legislative aid in establishing safe and adequate farm financing institutions throughout the United States, such as have been so eminently successful in France and Germany."

Since that date a committee of three, in behalf of the Association, went to Europe and rendered a report on European land and agricultural credit to the Department of State and to the Association; a commission of seven, appointed by President Wilson under act of Congress, also went to Europe, in conjunction with a large voluntary commission, and submitted reports to Congress on the same subjects.

As a result of this agitation, emanating from the Association, laws on so-called credit unions already have been enacted in Texas, New York, and Wisconsin, and many more States are preparing to follow suit. These laws do not contain any of the principles of Schulze-Delitzsch, Raiffeisen, or Luzzatti—the famous leaders of people's banks and rural co-operative societies in Europe. They are modeled upon a law enacted in Massachusetts in 1909, which was taken bodily from the statutes of Quebec.

The Quebec law was conceived in benevolence and brotherly love for feeble folks; neither it nor its American copies can be of use to farmers, but they furnish dangerous means to enable designing men to exploit the poor, and the poor to ruin themselves in the name of co-operation.

Besides these so-called credit union laws, there have been enacted in Massachusetts a law for co-operative mortgage associations; in New York, a law for the creation of the Land Bank; in Indiana, a law for rural real estate loan and savings associations; in Wisconsin, a law on land-mortgage associations; in Louisiana, a law for exempting trust companies, which make farm loans, from taxation for twenty years; and in California, a law for mortgage insurance.

None of these laws is perfect, while that of New York perpetrates as great a wrong as ignorance of basic principles, personal ambitions, and political purposes can lead legislators into. The New York law denatures the 241 building and loan associations in that State, with the object of turning over to a

monopolistic and highly privileged central bank the \$64,249,990 of savings of 160,880 members as a security for its bonds.

In addition to these laws, there are twenty bills pending before Congress and various measures before the legislatures of many States. Congressman Bathwick is demanding that cheap loans be supplied farmers by the Federal Government; Congressman Henry, that the Federal Government advance tens upon tens of millions of dollars to cotton growers; Senator Hollis, that the Federal Government furnish part of the capital stock of twelve land banks and buy \$50,000,000 of their bonds annually; Senator Fletcher, that the Federal Government provide for the creation of land credit associations and corporations to issue bonds upon authority of the Treasury Department; and Congressman Lever, that the Federal Government license warehouses for cotton and farm produce with powers to issue negotiable receipts which may circulate as currency.

The course of potential legislation is now being shaped by politicians, dilettante academicians and "farmers' friends" on the way to State-aid, State-intervention, bureaucracy, and socialism. The inaction of bankers doubtless springs from a fear that existing banks will be prejudiced by the movement and from the belief that the movement is based on cranky notions.

No conclusion could be farther from the facts. Schulze-Delitzsch was one of the greatest men of his days in Prussia; Raiffeisen was a prominent official who for years had the confidence of the Prussian king and German emperor; Luzzatti, minister of finance and prime minister, is still powerful at the court and in banking circles.

The regent of the Bank of France is foremost among the advocates in France of co-operation; the Bank of Russia is charged with the propagation and development of rural co-operation; twenty-one of the largest English banks have tendered their services to rural co-operative credit; all the savings banks of Italy are the strongest supporters of co-operation; the Catholic Church, by solemn encyclical, and many European governments, by subventions and special official lecturers and organizers, are encouraging co-operation as a definite program against socialism.

Co-operation, based as it is upon the wage and the dividend as the proper standards for work and profits and upon the individual ownership of land and property, to-day is the strongest bulwark in America as well as in Europe against socialism. The Federation of Labor, the trade unions, and the largest co-operative organizations are openly opposed to socialism, while the leading Socialist thinkers are opposed to co-operation.

Ambassador Herrick, in his book on Rural Credits, just published by D. Appleton & Co., of New York, brings out all these facts. He has conferred with prominent bankers and co-operatives in Europe; he has investigated and he describes all the land and

agricultural credit systems and institutions in twenty-seven European countries, besides those in Japan, Asia, Africa, Central and South America; he points out the dangers or utter uselessness of State-aid and intervention as proved by examples in Europe; he shows how the co-operative credit societies act as feeders for the ordinary banks, and how they are encouraged by the ordinary banks because of this fact and the great good they do to agriculture. Ambassador Herrick further shows that inasmuch as long-term loans, i. e., running for thirty years and over, require special institutions, the establishment of such institutions cannot interfere with the business of banks; rather they have helped the banks in Europe, because the banks, as a rule, must organize and manage them.

There has been much misinformation spread about Ambassador Herrick's views and purposes since he started the rural credits movement. His plans, as outlined in his book, which he had thought to dedicate to American bankers, contain nothing radical. Everything which he proposes is in harmony with existing banks and would help them if adopted. Moreover, his plans have been advocated now by three Presidents of the United States in succession. President Wilson declares that the rural credits problem must be settled at the next session of Congress.

The American Bankers Association should take up the question again. Might not harm result to their banks and the country through their indifference? Ought they not to inform themselves about systems in Europe, and strive, as Ambassador Herrick warns, against their adoption without a full study of their adaptability to American conditions? State-aid in Europe is extended only to the poorest kind of peasants, but in the United States it is now being proposed even for independent farmers; when once implanted it would be difficult to eradicate.

#### THE DEPARTMENT OF PUBLIC RELATIONS— A NEW DEPARTMENT OF THE AMERICAN BANKERS ASSOCIATION.

THE Executive Council at a meeting in Richmond authorized the establishment of a Department of Public Relations—or, in other words, a Publicity Department. The necessity for such a department has been apparent for some time and recent developments have but emphasized the necessity for such a phase of Association activity.

The Administrative Committee, with whom was vested authority by the Executive Council, has selected as Manager, Mr. Arthur D. Welton of Chicago, Ill. Mr. Welton has had wide experience in newspaper work in various capacities and was the Managing Editor at different periods, of two prominent daily papers in large cities in the Middle West. During the existence of the organization, he was Manager of the National Citizens League in Chicago and at that time made a special study of banking and finance. He has a large acquaintance with the various press agencies, newspaper men and correspondents generally; also an extensive acquaintance among public men and bankers. He is an able writer.

Mr. Welton will, at once, assume the Editorial Management of the JOURNAL-BULLETIN and that periodical will become a more valuable monthly visitor to bankers, than ever before.

At the Richmond meeting the Executive Council approved of the enlargement of scope of the JOURNAL-BULLETIN; and, while the JOURNAL-BULLETIN will not go into the field of general bank news, personal items and many other features which are now embodied in the financial journals, it will contain, in each issue, matter of decided interest to its subscribers in the way of instructive information on current topics of banking and currency legislation, the activities of the Federal Reserve Banks, etc.

Mr. Welton's duties will also include general publicity work for the Association and items of interest to banks, bankers and business men will be prepared in an endeavor to furnish a broader knowledge of the workings of the Federal Reserve System and the functions of a bank, respectively.

F. E. F.

#### FARM MORTGAGE BANKERS' ASSOCIATION.

THE first annual convention of the Farm Mortgage Bankers' Association of America was held at Chicago, October 7th and 8th, President F. W. Thompson, Cashier of the Merchants Loan & Trust Company, Chicago, calling the first business session to order on Wednesday morning in the Red Room of the La Salle Hotel.

After the President's address, Secretary-Treasurer H. M. Hanson of Chicago, made his report and recommended that "the membership be advised in concrete, statistical terms, indicating the lines on which the Association has been operating in its endeavors to accomplish the purpose of the organization, and that facts and figures be presented revealing the more intimate workings of the administrative department of the Association." Mr. Hanson also reported a membership of 67 and said that 39 States were represented at the convention. Following this the Treasurer's report was submitted and read in itemized form.

The program of addresses was as follows: "Suggested Reorganization of the Farm Mortgage Business," by Dr. John Lee Coulter, Secretary of the United States Commission on Rural Credits. This was followed by a discussion conducted by Levering Moore, Vice-President Mortgage Securities Company, New Orleans; Edwin Chamberlain, President San Antonio Loan & Trust Company, San Antonio, and H. L. Moore, Treasurer Minnesota Loan & Trust Company, Minneapolis. "Ways and Means of Obtaining Accurate Information of the Mortgage Debt of the United States," by Hugh H. Shepard, former Chairman of the Committee on Legislation of the American Association of Titlemen. "Removing Obstructions to the Farm Mortgage Business," by Frank H. McCulloch, General Counsel of the Association, Chicago, and "Farm Mortgages in the South," by Herman Hochmeister.

On Wednesday evening there was a "Get Together" smoker and vaudeville which proved to be a great success in that it brought the members into close contact and was the means of their becoming acquainted. For this reason the smoker will, in all probability, be held next year on the night preceding the opening of the convention.

On Thursday evening the annual banquet was held in the Red Room of the hotel, Kingman N. Robbins of Rochester, N. Y., acting as toastmaster. Three interesting addresses were made: "The Investment Fund," by George E. Roberts, Director United States Mint, Washington, D. C.; "Probable Effect of National Currency Law on Farm Mortgage Securities," by J. W. Wheeler, President Capital Trust Company, St. Paul, Minn.; "Moral Obligation of the Mortgage Banker to his Investors," by R. O. Deming, President Deming Investment Company, Oswego, Kan. The banquet was a pronounced success and a fitting climax to the Association's first annual convention.

All the officers were re-elected as follows: President, F. W. Thompson, Cashier Merchants Loan & Trust Company, Chicago; Vice-Presidents, Kingman N. Robbins, Rochester, N. Y., O. M. Corwin, Minneapolis, Minn., J. E. Maxwell, Kansas City, Mo.; Secretary-Treasurer, H. M. Hanson, Chicago, Ill.

## REGISTRATION AT OFFICES.

THE following registered at the Association offices during the month of October:

- Allen, Jay B., Sioux Falls National Bank, Sioux Falls, S. D.  
 Bennett, Walter H., Vice-President American Exchange National Bank, New York City.  
 Beniteau, Mrs. A. P. T., Detroit, Mich.  
 Booth, W. H., Vice-President Security Trust and Savings Bank, Los Angeles, Cal.  
 Cathro, F. W., President First National Bank, Bottineau, S. Dak.  
 Compton, L. D., New York and Los Angeles.  
 Cromwell, David, President First National Bank, White Plains, N. Y.  
 Cunningham, R. E., Cashier Covington National Bank, Covington, Va.  
 Dismukes, J. T., President First National Bank, St. Augustine, Fla.  
 Farnsworth, Mrs. F. E., New York City.  
 Farrell, Charles L., President Essex County National Bank, Newark, N. J.  
 Farrell, J. Fletcher, Vice-President Fort Dearborn National Bank, Chicago, Ill.  
 Fowler, Charles A., Elizabeth, N. J.  
 Franklin, N. E., President First National Bank, Deadwood, S. D.  
 Frew, Walter E., President Corn Exchange Bank, New York City.  
 Gatling, Norborne E., Asst. Cashier Chatham and Phenix National Bank, New York City.  
 Greene, C. R., Detroit, Mich.  
 Greig, Fred D., Union Trust Company, Detroit, Mich.  
 Harris, B. F., President First National Bank, Champaign, Ill.  
 Heard, Arthur M., President Amoskeag National Bank, Manchester, N. H.  
 Herrick, Clay, Manager Research Department, Ernst and Ernst, C. P. A., Cleveland, Ohio.  
 Hilton, F. L., Asst. Cashier Merchants National Bank, New York City.  
 Hoge, James D., President Union Savings and Trust Company of Seattle, Seattle, Wash.  
 Holmes, John T., New York City.  
 Johnes, Joseph H., Cashier First National Bank, Hightstown, N. J.  
 Jones, A. B., Asst. Cashier First National Bank, Los Angeles, Cal.  
 Joyce, William B., President National Surety Company, New York City.  
 Kautzmann, Gottlob, Chairman of the Board Liberty Trust Company, Newark, N. J.  
 Kimmelberg, E. W., New York City.  
 Kramer, Walter B., Scranton, Pa.  
 Law, William A., First Vice-President First National Bank, Philadelphia, Pa., President American Bankers Association.  
 Lederer, Richard M., President Lederer's Banking House, New York City.  
 Leinenkugel, M. J., Eau Claire National Bank, Eau Claire, Wis.  
 Lifsey, W. V., G. E. P. A., New York Central Lines, New York City.  
 Lynch, James K., Vice-President First National Bank, San Francisco, Cal., Vice-President American Bankers Association.  
 Lynde, R. P., First National Bank, White River Junction, Vt.  
 McHugh, John, President First National Bank, Sioux City, Iowa.  
 McKee, D. H., Vice-President Iowa Loan and Trust Company, Des Moines, Iowa.  
 McKinney, C. E., President Sioux Falls National Bank, Sioux Falls, S. D.  
 McNair, E. O., President Commonwealth Trust Company, Buffalo, N. Y.  
 Mackie, William A., Vice-President and Cashier First National Bank, New Bedford, Mass.  
 Marston, Fred C., Asst. Treasurer Columbia Trust Company, New York City.  
 Mason, John H., Vice-President Commercial Trust Company, Philadelphia, Pa.  
 May, J. T., Vice-President Fremont National Bank, Fremont, Neb.  
 Meader, W. G., Treasurer Attleboro Trust Company, Attleboro, Mass.  
 Milmine, E. L., Vice-President and Cashier Mohawk National Bank, Schenectady, N. Y.  
 Nierling, J. J., President Citizens National Bank, Jamestown, N. D.  
 Passmore, R. H., Cashier National Bank of Chambersburg, Chambersburg, Pa.  
 Platt, J. E., Secretary South Dakota Bankers' Association, Clark, S. D.  
 Price, H. P., Cashier The National Bank of Norwalk, Norwalk, Conn.  
 Pugsley, C. A., President Westchester County National Bank, Peekskill, N. Y.  
 Purdy, W. E., Asst. Cashier Chase National Bank, New York City.  
 Reynolds, Arthur, President Des Moines National Bank, Des Moines, Iowa.  
 Rhoades, Herbert A., President Dorchester Trust Company, Boston, Mass.  
 Rhoades, Mrs. Herbert A., Boston, Mass.  
 Rhodes, Bradford, President First National Bank, Mamaroneck, N. Y.  
 Richards, G. H., Secretary Minnesota Bankers' Association, Minneapolis, Minn.  
 Rittenhouse, W. S., Cashier First National Bank, Washington, N. J.  
 Rogers, George W., Cashier Bank of Commerce, Little Rock, Ark.  
 Runkle, Delmer, President Peoples National Bank, Hoosick Falls, N. Y.  
 Russell, W. W., Cashier First National Bank, White River Junction, Vt.  
 Teter, Lucius, President Chicago Savings Bank and Trust Company, Chicago, Ill.  
 Tompkins, D. J., President United State Guarantee Company, New York City.  
 Van Deusen, Walter M., Cashier National Newark Banking Company, Newark, N. J.  
 Von der Weyer, H., Vice-President Merchants National Bank, St. Paul, Minn.  
 Vincent, W. D., Vice-President Old National Bank, Spokane, Wash.  
 Wood, George A., President National Bank of Chambersburg, Chambersburg, Pa.

## OFFICIAL NOTICE

Statement of the ownership, management, etc., of the JOURNAL OF THE AMERICAN BANKERS ASSOCIATION, published monthly at New York N. Y., required by the Act of August 24, 1912.  
 Editor, ARTHUR D. WELTON, 5 Nassau Street, New York, N. Y.  
 Associate Editor, W. W. WAINE, 5 Nassau Street, New York.  
 OWNERS, THE AMERICAN BANKERS ASSOCIATION, 5 Nassau Street, New York, N. Y.  
 (A voluntary, unincorporated association of 14,500 bankers; WM. A. LAW, First National Bank, Philadelphia Pa., President; and FRED. E. FARNSWORTH, 5 Nassau Street, New York, N. Y., General Secretary.)

Sworn to and subscribed before me this 24th day of October, 1914.

(Signed) H. H. APPLEGATE, Notary Public, Kings County, New York.  
 Certificate filed in New York County, New York. (My commission expires March 30, 1915).

## TRAVELERS' CHEQUES.

THE following is copy of a letter received by General Secretary Farnsworth, which is self-explanatory:

BANKERS TRUST COMPANY,  
16 Wall Street,  
New York.

October 2nd, 1914.

Colonel Fred. E. Farnsworth,  
General Secretary,  
American Bankers Association,  
New York City.

Dear Colonel Farnsworth:

So many inquiries have been made in regard to the steps taken by the Bankers Trust Company, as trustee, to protect the payment of American Bankers Association Travelers' Cheques abroad after the outbreak of the war, that we have decided to send you a condensed statement of the situation at that time, which includes a summary of the information sent to us from time to time by our Mr. Kent, who is still in London, and in charge of all necessary arrangements on that side.

Within a very short time after hostilities commenced, we had assurance that "A.B.A." Cheques were being honored in the following countries: Great Britain, France, Germany, Switzerland, Italy, Norway, Sweden, Denmark and Holland. At the same time we had reason to believe that they were being accepted in other European countries also. In many of the countries mentioned, the Association's Cheques were accepted continuously from the very beginning of the war, but in a few places some days elapsed, immediately after the declaration of war, during which payments were not being made. In Italy, for instance, the moratorium covered all balances in banks, as well as bills of exchange, consequently banks in that country generally stopped paying all credits. At a number of places, however, the bankers did accept Association Cheques even during those first days. As soon as the condition was ascertained, the Bankers Trust Company made a special deposit with the Banca Commerciale Italiana to be used to cash "A.B.A." Cheques. The Italian bank notified all American consulates, and published an advertisement in English in the Italian papers, in regard to this arrangement.

To help out the general situation, the Bankers Trust Company advised its correspondents in Italy that it would protect letters of credit of bankers, members of the Association, while arrangements were being concluded for the general protection of all American credits.

In Switzerland the Association Cheques were cashed throughout the whole period following the declaration of war, but in certain places, until word was received that the cheques could be safely honored, people were obliged to wait a few days.

In France, immediately after the announcement of the moratorium, when the French banks stopped all payments, an arrangement was made with Messrs. Morgan, Harjes & Company of Paris under which they honored Association Cheques, and arranged for their correspondents to do so throughout France. It is to be regretted that all Americans were not aware of this arrangement and that when they presented the cheques at some of the French banks, and were refused accommodation, they supposed that they could not obtain the cash upon the cheques anywhere. Messrs. Morgan, Harjes & Company were requested to have all their correspondents notify the American Consulates and hotels that they were in position to honor Association Cheques, but it is very probable that notices did not reach all Americans promptly, because of the excitement and uncertainties of the war. Association Cheques were cashed in Paris without interruption during the whole period by Messrs. Morgan, Harjes & Co.

In Germany conditions may be judged by a telegram received from the Deutsche Bank of Berlin the

latter part of August, stating that over \$100,000 of "A.B.A." Cheques had been cashed by this bank for American tourists at its head office and its branches throughout Germany from August 1st.

The following telegram from a Norwegian bank is self-explanatory: "We have honored all American Bankers Association Travelers' Cheques and are now honoring other travelers' cheques and letters of credit addressed to us payable London. Previously this was difficult owing to derangement of postal service."

Similar telegrams showing that Association Cheques were being honored in Sweden and Denmark were also received, while word from Holland led us to believe that Association Cheques were honored there practically without interruption.

Early reports received from tourists returning from Austria led us to believe that "A.B.A." Cheques were generally of service to those carrying them in that country.

In London, Bank holidays were declared in addition to the moratorium, extending from Monday until Friday the first week in August. During this period there was some anxiety lest the holidays be further extended, and many Americans required cash in the meantime. To meet this condition the Bankers Trust Company opened a temporary office in the Savoy Hotel and cashed Association Cheques throughout the bank holidays. When the banks resumed payment this office was discontinued as being unnecessary.

Viewing the situation in a general way, there were at times in some places refusals of Association Cheques for a brief period, where other cheques might have been accepted because their advices happened to get through first; while in other places Association Cheques were being generally honored where others were not being taken for like or other reasons.

This fact is worthy of emphasis, that, even though such a sudden, disastrous and widespread war, together with a general moratorium throughout Europe, might have seemed sufficient reason to excuse the non-payment of travelers' cheques, the Bankers Trust Company, in order to protect patrons of issuing banks, took such extraordinary measures as were necessary in every country in order to get money to those carrying the cheques.

Furthermore, the undertaking of such arrangements was not delayed a moment longer than necessary, the Bankers Trust Company being actively engaged in efforts to protect Association Cheques immediately after it learned of the effect of the mobilization in the different European countries, and before any declaration of war by Germany. As soon as conditions began to look serious hundreds of thousands of dollars in gold were shipped to Europe just for the protection of the Association Cheques.

If any of the customers or members of the Association have experienced any inconvenience in regard to "A.B.A." Cheques we sincerely regret it, but believe that you will agree with us we have left nothing undone that could be done for their protection.

Referring to our circular of August 12th, addressed to the banks issuing Association Cheques, would say that our Vice-President, Mr. F. I. Kent, whose address is the Waldorf Hotel, will give careful attention to any requests from any clients of members of the American Bankers Association, and will be pleased to have you direct them to him.

Very truly yours,  
(Signed) BENJ. STRONG, JR.  
President.

## THE JOURNAL OF OUR ASSOCIATION FOR AUGUST, 1908.

THE August 1908 issue of our monthly publication is out of print. We have use for this issue in responding to frequent inquiries for bound volumes.

Members having a copy of this issue, which they do not care to preserve, should send same to us. This action on their part will be much appreciated by us and 25 cents per copy will be paid for those sent in.

# TRUST COMPANY SECTION

OFFICERS, 1914-1915.

PRESIDENT:

RALPH W. CUTLER, President Hartford Trust Co.,  
Hartford, Conn.

FIRST VICE-PRESIDENT:

JOHN H. MASON, Vice-Pres. Commercial Trust Co., Philadelphia, Pa.

CHAIRMAN EXECUTIVE COMMITTEE:

UZAL H. McCARTER, President, Fidelity Trust Company,  
Newark, N. J.

SECRETARY:

PHILIP S. BABCOCK, 5 Nassau Street, New York City.

## ANNUAL MEETING.

**N**OT all innovations are successful, but it was universally conceded that the innovation of holding a joint session with the Savings Bank Section at Richmond, on October 13th, was an unqualified success.

The purpose of this meeting "to consider the attitude of State Banks, Savings Banks and Trust Companies toward the Federal Reserve System," attracted a very large attendance and keen interest was manifested in the frank and interesting address of Mr. H. Parker Willis, and in the general discussion after Mr. Willis had expounded his views. Mr. J. F. Sartori, President of the Savings Bank Section called the meeting to order. The Rev. J. J. Gravatt, Rector of Holy Trinity Church, Richmond, delivered a brief invocation, after which Mr. Sartori introduced Mr. F. H. Goff, President of the Trust Company Section, as the presiding officer. Mr. Goff explained the purpose of the meeting and read letters from Mr. George M. Reynolds, and Mr. E. D. Hulbert of Chicago, Mr. A. Barton Hepburn, and Mr. A. J. Hemphill of New York, and Mr. F. H. Fries of Winston-Salem, North Carolina, all of whom were unable to be present.

Mr. H. Parker Willis, now Secretary of the Federal Reserve Board and formerly an Associate Editor of the New York Journal of Commerce, then addressed the meeting on "The Future of State Institutions under the Federal Reserve Act." Mr. Parker was listened to with very close attention and responded readily to several inquiries that were addressed him. Mr. Arthur Reynolds, President of the Association, paid the two Sections the honor of a visit and made an interesting address on the subject which the meeting had under consideration. Numerous delegates present from both the Trust Company and the Savings Bank Sections were called upon to express their views and it was to be regretted that there was not sufficient time to call on many others whose views would have been of interest and value.

The afternoon meeting of the Section also was very generally attended and considerable interest was manifested in the reports of the President and of the several committees. Reports of the State Vice-Presidents which were made in person by a number of Vice-Presidents present proved of much interest. All these reports will be printed in the volume of Proceedings and Vice-Presidents of States who did not report at the meeting and have not as yet done so are earnestly requested to send in to the Secretary within the next few weeks their reports so that they can be included.

The following officers were elected:

President—Mr. Ralph W. Cutler, President Hartford Trust Company, Hartford, Conn.

First Vice-President—Mr. John H. Mason, Vice-President Commercial Trust Company, Philadelphia, Pa.

At a subsequent meeting of the Executive Committee Mr. Uzal H. McCarter, President Fidelity Trust Company, Newark, N. J., was elected Chairman, and the present Secretary was re-elected.

The new members of the Executive Committee for the term ending 1917 were elected by the delegates present and are:

R. L. Rutter, Vice-President Spokane & Eastern Trust Company, Spokane, Wash.

H. W. Jackson, President Virginia Trust Company, Richmond, Va.

Lucius Teter, President Chicago Savings Bank & Trust Company, Chicago, Ill.

E. Woodruff, President Trust Company of Georgia, Atlanta, Ga.

John H. Holliday, President Union Trust Company, Indianapolis, Ind.

An interesting feature before adjournment was the presentation to Mr. F. H. Goff, upon his retirement from the Presidency, of a silver loving cup presented by the Section in recognition of his services during the year 1913-1914.

Upon motion duly seconded and carried a vote of thanks was tendered to the banks and bankers and to all others who served on the committees of entertainments in the City of Richmond for the hospitality extended and the complete preparations made for the convention.

At the meeting of the Association on Thursday, the fourteenth, the following amendment to the Constitution was unanimously passed:

Section 1. "Sections of the Association may be authorized or confirmed and regulated by By-law, for the promotion of the welfare of the different business classes of the membership, and any member of the Association may become a member of such Section or Sections whose constitution or by-laws permit of such membership as may best benefit such member's business interest; provided, however, that NO MEMBER SHALL HAVE THE RIGHT TO VOTE FOR OFFICERS IN MORE THAN ONE SECTION and shall at the time of becoming a member in more than one Section designate in which Section it will exercise the right to vote for officers by giving notice to the Secretary of such Section, which designation cannot be changed until an intervening annual election, and when any Section is authorized by By-law the same shall, upon application made be established by the Executive Council."

Former members of the Section who found it necessary, a year ago, to elect membership in the Savings Bank Section are cordially invited to rejoin the Trust Company Section in accordance with this resolution so that they may have the benefit of the work of both Sections.

# SAVINGS BANK SECTION



OFFICERS, 1914-1915.

PRESIDENT:

W. E. KNOX, Comptroller Bowery Savings Bank, New York City.

FIRST VICE-PRESIDENT:

N. F. HAWLEY, Treasurer Farmers & Mechanics Savings Bank, Minneapolis, Minn.

SECRETARY:

E. G. McWILLIAM, 5 Nassau Street, New York City.

## THE SAVINGS BANK SECTION AT RICHMOND.

**D**ESPITE the fact that the total registration at the Richmond convention was somewhat smaller than at conventions of recent years, the members of the Savings Bank Section were on hand in their usual goodly numbers, and the attendance at our meetings was most gratifying as indicating the loyalty and co-operation of the members of this Section.

The morning session held in the Auditorium of the Jefferson Hotel was a joint session with the Trust Company Section, in order that the members of both Sections might listen to a discussion of a subject of especial interest to them at this time, namely, the attitude of State Institutions toward the Federal Reserve System.

The meeting was called to order by our President, J. F. Sartori, who, after the invocation had been offered, introduced Mr. Goff, President of the Trust Company Section, as permanent Chairman of the meeting.

H. Parker Willis, Secretary to the Federal Reserve Board, had been secured to address this meeting by the Savings Bank Section, and delivered the main address of the morning. Mr. Willis took as his subject "The Future of State Institutions under the Federal Reserve Act" and treated it in such a frank and unbiased manner that he won the friendship of all, and was accorded hearty applause at the close.

Following Mr. Willis's address, Mr. Goff read several letters bearing upon the subject, from prominent bankers in various sections of the country, which letters together with Mr. Willis's address will appear in the annual book of proceedings. The meeting was then thrown open for discussion, limiting each speaker to three minutes, and among those who contributed largely to the value of the discussion were Wm. E. Knox, R. C. Stephenson and N. F. Hawley of our Section—whose remarks will also appear in the published proceedings.

This joint session was voted a distinct success and the hope was expressed by many that similar sessions might be held in the future at which other questions of mutual interest to both savings banks and trust companies could be discussed.

The afternoon session of the Savings Bank Section was held in the same place and as two addresses of especial interest to savings bankers had been arranged, there was an excellent attendance. The first of these addresses was delivered by Arthur M. Harris, of Harris, Forbes & Company, New York, who took as his subject "Savings Bank Bonds in the Light of Recent Developments," and the second by Elliott C. McDougal, President Bank of Buffalo, N. Y., and a member of the Commission appointed to revise the Banking Law of New York, who spoke upon "Recent Amendments to the Savings Bank Law of New York and Reasons for such Amendments." Both of these addresses were enthusiastically received, and as they will also appear in the book of proceedings will prove valuable additions to the Savings Bank literature of the day.

Reports from all committees were received at this meeting which indicated an unprecedented activity in

the Savings Bank Section during the year just closed; the reports of the Methods and Systems Committee in charge of the Thrift Campaign and the Committee on Postal Savings Legislation especially bringing forth favorable comment.

During his address as President, Mr. Sartori took occasion to express his appreciation of the friends he had made and the pleasure he had experienced in connection with his work in the Section and expressed the hope that the 1916 convention might be invited to Philadelphia, as we would celebrate in that year the centennial of savings banks in this country, and the first savings bank was opened for business in that City.

The by-laws as published in last month's Journal were unanimously adopted, and the election of officers and members of the Executive Committee resulted in the election of Wm. E. Knox, Comptroller Bowery Savings Bank, New York; President, N. F. Hawley, Treasurer Farmers' & Mechanics Savings Bank, Minneapolis, Minn.; Vice-President, George E. Edwards, President Dollar Savings Bank, New York; Joseph R. Noel, President North West State Bank, Chicago, Ill. and W. R. Meakle, Secretary Paterson Savings Institution, Paterson, N. J., members of the Executive Committee for three years, and James Dinkins, Vice-President Jefferson Commercial & Savings Bank, Gretna, La., member Executive Committee for one year to fill unexpired term of Clinton T. Rose, deceased.

Our new President, Mr. Knox, has already appointed his committees and Vice-Presidents for the various States, and subject to changes due to any who may decline their appointment, the complete list of officers and committees of the Savings Bank Section for the year 1914-1915 is as follows:

### Officers.

President—W. E. Knox, Comptroller Bowery Savings Bank, New York.

Vice-President—N. F. Hawley, Treasurer Farmers & Mechanics Savings Bank, Minneapolis, Minn.

Secretary—E. G. McWilliam, Five Nassau Street, New York City.

### Executive Committee.

#### Term expiring 1915.

W. G. Toopel, Cashier Peninsular State Bank, Detroit, Mich.

James Dinkins, Vice-President Jefferson Commercial & Savings Bank, Gretna, La.

H. S. Cable, President Rock Island Savings Bank, Rock Island, Ill.

#### Term expiring 1916.

Charles S. Norris, Treasurer Home Savings Bank, Boston, Mass.

V. A. Lersner, Assistant Cashier Williamsburgh Savings Bank, Brooklyn, N. Y.

Henry Schachte, President Germania Savings Bank, Charleston, S. C.

Term expiring 1917.

George E. Edwards, President Dollar Savings Bank, New York.

Joseph R. Noel, President North West State Bank, Chicago, Ill.

W. R. Meakle, Secretary Paterson Savings Institution, Paterson, N. J.

Ex-officio.

J. F. Sartori, President Security Trust & Savings Bank, Los Angeles, Cal.

#### STANDING COMMITTEES.

##### Methods and Systems.

Chairman—V. A. Lersner, Assistant Cashier Williamsburgh Savings Bank, Brooklyn, N. Y.

W. R. Meakle, Secretary Paterson Savings Institution, Paterson, N. J.

Joseph R. Noel, President North West State Bank, Chicago, Ill.

##### Membership.

Chairman—G. E. Edwards, President Dollar Savings Bank, New York.

H. P. Beckwith, Treasurer Northern Savings Bank, Fargo, N. D.

Henry Sayler, Secretary Citizens Savings Bank, New York.

H. S. Cable, President Rock Island Savings Bank, Rock Island, Ill.

James Dinkins, Vice-President Jefferson Commercial & Savings Bank, Gretna, La.

##### Law and Segregation.

Chairman—N. F. Hawley, Treasurer Farmers & Mechanics Savings Bank, Minneapolis, Minn.

Charles S. Norris, Treasurer Home Savings Bank, Boston, Mass.

H. S. Cable, President Rock Island Savings Bank, Rock Island, Ill.

W. G. Toepel, Cashier Peninsular State Bank, Detroit, Mich.

Henry Schachte, President Germania Savings Bank, Charleston, S. C.

##### Postal Savings Legislation.

Chairman—E. L. Robinson, Vice-President Eutaw Savings Bank of Baltimore, Baltimore, Md.

W. E. Knox, Comptroller Bowery Savings Bank, New York.

B. F. Saul, President Home Savings Bank, Washington, D. C.

##### State Vice-Presidents 1914-15.

Alabama: Eugene F. Enslen, President Jefferson County Savings Bank, Birmingham.

Arizona: Lloyd B. Christy, Cashier the Valley Bank, Phoenix.

Arkansas: W. E. Lenon, President Peoples Savings Bank, Little Rock.

California: W. E. McVay, Vice-President German-American Trust & Savings Bank, Los Angeles.

Colorado: F. N. Briggs, President Inter-State Trust Co., Denver.

Connecticut: S. Fred. Strong, Treasurer Connecticut Savings Bank, New Haven.

Delaware: T. Allen Hilles, Vice-President Artisans Savings Bank, Wilmington.

Dist. Columbia: B. F. Saul, President Home Savings Bank, Washington.

Florida: D. J. Herrin, President First Savings Bank, Jacksonville.

Georgia: J. G. Weigle, Cashier Augusta Savings Bank, Augusta.

Idaho: Robert Moore, President Idaho Trust & Savings Bank, Boise.

Illinois: J. R. Noel, President North West State Bank, Chicago.

Indiana: F. E. Bryant, President Indiana Bank & Trust Co., Rochester.

Iowa: Hon. A. F. Dawson, President First National Bank, Davenport.

Kansas: L. H. Wulfekuhler, Vice-President Wulfekuhler State Bank, Leavenworth.

Kentucky: W. F. Paxton, President Citizens Savings Bank, Paducah.

Louisiana: James Dinkins, Vice-President Jefferson Commercial & Savings Bank, Gretna.

Maine: F. C. Cushing, Treasurer Maine Savings Bank, Portland.

Maryland: E. L. Robinson, Vice-President Eutaw Savings Bank, Baltimore.

Massachusetts: John Brand, Treasurer Springfield Institution for Savings, Springfield.

Michigan: H. P. Borgman, Cashier Savings Department Peoples State Bank, Detroit.

Minnesota: W. F. McLane, Cashier Hennepin County Savings Bank, Minneapolis.

Mississippi: John F. Osborne, President Citizens National Bank, Corinth.

Missouri: W. S. Webb, Cashier Missouri Savings Association Bank, Kansas City.

Montana: R. O. Kaufman, Cashier Union Bank & Trust Company, Helena.

Nebraska: T. L. Mathews, President Fremont Savings Bank, Fremont.

Nevada: Geo. Wingfield, President Nixon National Bank, Reno.

New Hampshire: A. N. Gendron, Treasurer Berlin Savings Bank & Trust Co., Berlin.

New Jersey: R. T. Crane, Treasurer Montclair Savings Bank, Montclair.

New Mexico: J. B. Herndon, President State National Bank, Albuquerque.

New York: Henry Sayler, Secretary Citizens Savings Bank, New York.

North Carolina: W. A. Hunt, Cashier Citizens Bank, Henderson.

North Dakota: H. P. Beckwith, Treasurer Northern Savings Bank, Fargo.

Ohio: W. R. Creer, President Cleveland Savings & Loan Co., Cleveland.

Oklahoma: C. M. Bosworth, Cashier Tradesmens State Bank, Oklahoma City.

Oregon: Andrew C. Smith, President Hibernia Savings Bank, Portland.

Pennsylvania: Robert A. Housel, Treasurer Savings Institution of the City of Williamsport, Williamsport.

Rhode Island: Wm. P. Goodwin, Treasurer Peoples Savings Bank, Providence.

South Carolina: A. W. Litschgi, President Citizens Bank, Charleston.

South Dakota: N. E. Franklin, President First National Bank, Deadwood.

Tennessee: P. D. Houston, Cashier First Savings Bank & Trust Co., Nashville.

Texas: W. E. Connell, President First National Bank, Fort Worth.

Utah: O. C. Beebe, Cashier Zion's Savings Bank & Trust Co., Salt Lake City.

Vermont: Charles F. Smith, President Burlington Savings Bank, Burlington.

Virginia: R. M. Kent, Jr., Cashier Bank of Commerce & Trusts, Richmond.

Washington: J. H. Edwards, Vice-President Dexter Horton Trust & Savings Bank, Seattle.

West Virginia: Alex. Mitchell, Treasurer Mutual Savings Bank, Wheeling.

Wisconsin: J. H. Puelicher, Cashier Marshall & Ilsley Bank, Milwaukee.

Wyoming: A. H. Marble, President Wyoming Trust & Savings Bank, Cheyenne.

Hawaii: L. T. Peck, Cashier First National Bank, Honolulu.

Canada: W. G. Gooderham, Vice-President Bank of Toronto, Toronto.

# CLEARING HOUSE SECTION

OFFICERS, 1914-1915.

PRESIDENT:

A. O. WILSON, Vice-President State National Bank, St. Louis, Mo.

VICE-PRESIDENT:

J. D. AYRES, Vice-President The Bank of Pittsburgh, N. A.,  
Pittsburgh, Pa.

CHAIRMAN EXECUTIVE COMMITTEE:

W. D. VINCENT, Vice-President Old National Bank,  
Spokane, Wash.

SECRETARY:

O. HOWARD WOLFE, 5 Nassau Street, New York City.

**TOTAL BANK TRANSACTIONS.**

A RECENT letter to this office states:

"Our bank transactions for the week ending this morning are \$4,219,000, the largest record for any one week since we have been keeping the transactions."

"There is every argument in the world why bank transaction figures are the only ones that are reliable and should be used as a basis of the volume of business."

It is, of course, preposterous to suggest that bankers—who insist upon accurate statements from borrowers—should seek to furnish the public with figures that deceive. They would, naturally, resent any such inference. Yet that is what they are doing with absolutely no intention at deception, when they permit the financial press to publish weekly figures of clearings pretending to indicate the true volume of business. Many clearing house associations, members of this Section, now collect the total of bank transactions represented by the debits against the deposit liabilities of their members. Actual conditions are thus indicated and clearing houses in possession of such figures need not feel concerned with the certain knowledge that after November 16th (the date of opening of the Reserve Banks) all present clearing figures will undergo radical changes.

Spokane Clearing House, for example, has been collecting and furnishing Total Transactions for about two years. The marked decrease in the total of clearings, due to the consolidation of three banks in that city, is, therefore, of no consequence. The following figures from Spokane are both interesting and instructive:

**CLEARINGS.**

(millions of dollars.)

	1913	1914	
July .....	17.8	16.4	
Aug. ....	16.6	13.9	
Sept. ....	17.7	16.3	
	52.1	46.6	decrease 10 per cent.

**TRANSACTIONS.**

(millions of dollars.)

	July	Aug.	Sept.	
	49.4	38.2	42.3	
	53.1	38.4	58.0	
				129.9      149.5 increase 15 per cent.

Further comment is unnecessary. Member banks will be required to make a weekly report to their Federal Reserve Banks of total check transactions. It is now in order for clearing house associations to require all their members to furnish totals of transactions to take the place of present clearing totals which will be practically useless after the inauguration of the Federal Reserve System.

**INCREASE IN NUMBERED CHECKS.**

Two years ago, at the Detroit Convention, a report was made of the percentage of checks bearing their transit numbers arranged by States and reserve cities. The "census" was taken in a large Chicago bank. At the Richmond Convention a similar report was filed showing the percentage taken on approximately the same date, two years later, in the same institution. Remarkable progress is indicated, as the following comparisons will show:

	1912	1914	1912	1914
Highest City, Chicago.....	50%	50%	Sioux City .....	92%
Lowest City, Waco.....	0%	0%	San Antonio .....	20%
Highest State, Idaho .....	40%	40%	Colorado .....	87%
Lowest State, Delaware..	0%	0%	Delaware .....	39%

**FEDERAL RESERVE CITIES.**

(Except Richmond and Atlanta.)

	1912	1914	1912	1914
Boston .....	13%	60%	St Louis .....	24%
New York ..	21%	53%	Minneapolis .....	25%
Philadelphia ..	24%	36%	Kansas City .....	17%
Cleveland ..	26%	77%	Dallas .....	49%
Chicago .....	50%	81%	San Francisco .....	77%

It will be noted that Philadelphia jealously maintains her reputation for being slow, but the other figures show large increases. Among the States, the highest percentage of increase is in the Northwest, the West and the Pacific Coast, while the lowest is in the Middle Atlantic States.

Another campaign will be begun shortly and we hope to be able to report 90 per cent. of checks up-to-date in another year. You can help now by writing to your correspondents and speaking to all the printers who do business with your bank. Above all, see that your own checks are properly numbered.

**THE CLEARING HOUSE EXAMINER.**

ONE of the most valuable features of the Clearing House Section meeting at Richmond was a paper by Francis Coates, Jr., the Cleveland Clearing House Examiner, on the effect of the Federal Reserve Act upon Clearing House Examinations. In a clear and able manner Mr. Coates developed his theme, presenting solid facts as arguments to show that there is little, if any, ground for thinking that the Clearing House Examination will be made unnecessary by the Federal Reserve examination. Rather, there is every reason to hope that the Clearing House system will be more widely extended and that a basis of co-operation with the Federal Reserve examiners may be established.

It is natural and proper that banks should compete with each other and banking systems might properly be considered to be in competition to the extent that having parallel systems—member and non-member—we can best determine the advantages and defects of the Federal Reserve System. But there should be and need be no competition between bank examinations. All are working disinterestedly toward the same end and the greater the degree of co-operation, the greater will be the efficiency of all.

All official examinations have as their object the

protection of the bank's depositors against loss, or as the text books put it, "The purpose of bank examination is to determine if the institution is solvent and obeying the law"—obedience to the law being one of the essentials of solvency. Judged by results, the Clearing House Examination is the most effective, because no depositor has ever lost a dollar in a bank subject to Clearing House examinations.

National and State bank examinations as constituted by law are necessarily limited in their scope since they go into but one kind of bank. This, in itself, would not be of much consequence were it not for the fact that modern bank examinations require an analysis of credit, and credit, in seeking accommodation, ignores any distinction between the National and the State institution. Since this classification of banks will hereafter be merely superseded by different terms—member and non-member banks—with little difference in actual credit practice, the Federal Reserve examiner will be but little better off than his predecessor has been. It will be nothing short of folly, therefore, if the Department at Washington does not avail itself of a full co-operation with the Clearing House examination system.

Statute laws on examinations will never attain perfection, however, until they recognize one fundamental fact that is at the basis of all Clearing House examinations, namely, that there are three parties, not two, vitally interested in maintaining the solvency of banks. They are the State, the public and the banks themselves. When a bank fails (and they have failed despite the best examinations the

law can devise) its neighbors suffer inevitably. That is why banks have of themselves instituted what may be termed the most efficient of all examinations—the Clearing House method.

It is not necessary to repeat here how and why this plan has been successful when others have failed. Those who were so fortunate as to have heard Mr. Coates' description of how a Clearing House Examiner operates, could have no doubt as to the efficiency of the plan. When a weak spot is disclosed the Examiner, the "family physician," tells no one but the patient's family, the board of directors, and together they effect a cure. If the disease is stubborn, resort is had to the "apothecary," the Clearing House and a little timely assistance from that quarter is not only effective but far more economical than a general epidemic due to a bad failure. Finally, if all else fails, the board of health is notified and the police power of the National or State department is invoked. Never is harsh treatment administered; never is the bank "thrown out" of the Clearing House, as is sometimes imagined.

The whole system, you may say, depends upon the ability and integrity of the Examiner. True. In securing examiners, the banks have accepted none but the best. In nearly every case they have been drafted from the ranks of the most skillful of National bank examiners. If these men are not the best, then where may we look for efficiency? It is significant to note that three out of the twelve Reserve Banks have Clearing House Examiners as either Governor or Chairman.

#### A. B A. MORTUARY RECORD REPORTED DURING OCTOBER.

- Adams, Ivers Whitney—Director Commercial National Bank, Boston, Mass.  
 Ainsworth, Henry A.—President Moline Trust & Savings Bank, Moline, Ill.  
 Ballard, A. S.—President Commercial Bank, Washington, C. H., Ohio.  
 Bartlett, Harry A.—President Highland National Bank, Newburgh, N. Y.  
 Bartlett, W. S.—Chairman of Board German-American Trust & Savings Bank, Los Angeles, Cal.  
 Carson, Robert A.—Director National Bank of Columbus, Columbus, Ga.  
 Dawson, Peter E.—President Hancock Bank, Hancock, Md.  
 Ford, Robert S.—Director Great Falls National Bank, Great Falls, Mont.  
 Glasgow, W. R.—President Ripley County Bank, Osgood, Ind.  
 Green, James—Director Guardian Trust Company, and Mechanics-American National Bank, St. Louis, Mo.  
 Guinn, Isaac—President First National Bank, Milan, Mo.  
 Hertel, Henry—Director German Savings Bank, Baltimore, Md.  
 Johnson, Harold W.—Cashier State Bank of Roth, Roth, N. D.  
 Kean, John—President and Director National State Bank, and Director Elizabethport Banking Company, Elizabeth, N. J.  
 Keith, Clay M.—President Cherokee State Bank, Lenapah, Okla.  
 Kirby, George F.—President Fidelity Savings Bank, Marshalltown, Iowa.  
 Lobdell, William W.—Director Farmers Bank, Wilmington, Del.  
 Long, J. Grier—President Washington Trust Company, Spokane, Wash.  
 Lyman, John Pickering—President Webster & Atlas National Bank, Boston, Mass.  
 McDonald, S. F.—Director National Bank of Ashtabula, Ashtabula, Ohio.  
 McGee, Henry A.—Vice-President and Director Plainfield Trust Company, Plainfield, N. J.  
 McKinley, W. J.—Cashier Bank of Upton, Upton, Wyo.  
 Moore, Frank C.—Asst. Cashier Brockton National Bank, Brockton, Mass.  
 Packard, Milton D.—Vice-President St. Lawrence County National Bank, Canton, N. Y.  
 Pettiford, W. R.—President Alabama Penny Savings Bank, Birmingham, Ala.  
 Reichman, E.—President Scott Valley Bank, Fort Jones; Vice-President Montague Banking Company, Montague, Cal.  
 Roberts, W. N.—Asst. Cashier National Bank of Commerce, Pensacola, Fla.  
 Rounds, Charles D.—President State Bank of West Pullman, Chicago, Ill.  
 Rumsey, George B.—Assistant Cashier Salem National Banking Company, Salem, N. J.  
 Ryan, Thomas—Director Farmers State Bank, Middletown, Ill.  
 Schmelz, Henry Lane—President Schmelz Brothers, Bankers, Newport News, Va.  
 Seaver, Jacob W.—Director Second National Bank, Boston, Mass.  
 Seeman, Frederick C.—Director Staten Island Savings Bank, Stapleton, S. I.  
 Stoddard, Charles B.—President Plymouth National Bank, Plymouth, Mass.  
 Stowell, Henry R.—Vice-President Athol Savings Bank, Athol, Mass.  
 Taylor, Simeon—President Citizens National Bank, Urbana, Ohio.  
 Tilden, Charles A.—Asst. Cashier Fort Dearborn Trust & Savings Bank, Chicago, Ill.  
 Tillinghast, Frederick—Trustee Albany Savings Bank. Director National Commercial Bank and Union Trust Company, Albany, N. Y.

# STATE SECRETARIES SECTION



OFFICERS, 1914-1915.

PRESIDENT:

W. W. BOWMAN, Secretary Kansas Bankers' Association, Topeka.

FIRST VICE-PRESIDENT:

HAYNES McFADDEN, Secretary Georgia Bankers' Association, Atlanta.

SECOND VICE-PRESIDENT:

GEORGE D. BARTLETT, Secretary Wisconsin Bankers' Association, Milwaukee.

SECRETARY-TREASURER:

GEORGE H. RICHARDS, Secretary Minnesota Bankers' Association, Minneapolis.

## THIRTEENTH ANNUAL MEETING.

THE Thirteenth Annual Meeting of the Organization of Secretaries Section of the American Bankers Association (comprising the Secretaries of State Bankers Associations) was held at the Hotel Jefferson, Richmond, Va., on Tuesday, October 13, 1914.

The meeting was called to order by President William J. Henry of New York.

A communication was read from the Secretary of the Section—Mr. P. W. Hall of Des Moines, Iowa—wherein he expressed his great regret at not being able to be present, owing to a sudden and severe illness which confined him to his bed.

In the absence of Secretary Hall, Mr. W. W. Bowman of Kansas was selected as Acting Secretary; and twenty-six Secretaries answered to their names upon the calling of the roll by the Acting Secretary.

President Henry announced that no programme of speakers had been arranged and that the entire day would be given over to general discussion of the activities of a Secretary and the work of the various Secretaries in their State Associations. This programme was carried out; and at the close of the meeting it was the unanimous opinion of all that this had been the most profitable meeting of any held in recent years, to those fortunate enough to be present.

During the sessions the Section received a number of visitors interested in its work. They were invited to make a few remarks and all availed themselves of the opportunity. Among those who dropped in on the meeting were General Secretary Farnsworth, William J. Burns of the Burns International Detective Agency; L. W. Gammon, Manager of the Protective Department; Thomas B. Paton, General Counsel; George E. Allen, Educational Director of the American Institute of Banking; A. D. Welton, Manager of the Department of Public Relations; B. F. Harris, Chairman, Agricultural Commission; Miss M. R. Glenn, Librarian; and Charles W. Burrows, President of the National One Cent Letter Postage Association of Cleveland, Ohio.

Mr. Burrows was given a vote of thanks and a resolution was adopted by the Section placing it on record as approving of the work of the National One Cent Letter Postage Association.

## THE CONVENTION OF 1915.

SEATTLE, WASH., was selected by our Executive Council as the place of meeting for the 1915 Convention of The American Bankers Association. All details of arrangement were left to the Administrative Committee. The dates, of course, have not been decided—the invitation as extended by the Seattle Clearing House suggesting between September 20th and October 20th.

Headquarters hotel has not yet been chosen. This hotel will be selected by the Administrative Committee; and its selection will be based entirely upon the facilities offered for registration, committee meetings, etc., so that the hotel selected as headquarters will be the one best adapted for the Association's purposes.

For more than a year suggestions have been re-

Telegrams of regret were sent to Secretary P. W. Hall of Des Moines and to Walker Scott of the Virginia Bankers Association, who had the misfortune to break his leg.

Suitable action was also taken on the death of Secretary H. Van Deusen of the Wyoming Bankers Association.

The Section took a recess at one o'clock and the Secretaries had lunch together in one of the dining rooms of the Jefferson Hotel—this was one of the most enjoyable features of the day.

By the adoption of a new Constitution and By-Laws at its Boston Convention by the American Bankers Association, a committee was appointed by the Executive Council of the Association to communicate with the various Sections and see that the Section By-Laws be made to conform with the Constitution and By-Laws of the American Bankers Association.

President Henry read a communication from General Secretary Farnsworth regarding this matter and with it submitted a draft of proposed By-Laws for the State Secretaries Section, which had been prepared by General Counsel Paton. These By-Laws were read and unanimously adopted. They conform largely to the former By-Laws, there being just a few changes made that they would not conflict with the Constitution and By-Laws of the American Bankers Association.

It was the sense of the members assembled in this meeting that the Proceedings of the State Secretaries Section be this year prepared in a separate volume for distribution among the Secretaries, and not published in the general proceedings of the American Bankers Association.

The officers elected for the ensuing year are as follows: President—W. W. Bowman, Secretary of the Kansas Bankers Association; First Vice-President—Haynes McFadden, Secretary of the Georgia Bankers Association; Second Vice-President—George D. Bartlett, Secretary of the Wisconsin Bankers Association; Secretary-Treasurer—George H. Richards, Secretary of the Minnesota Bankers Association. Board of Control—W. B. Harrison, Oklahoma; J. W. Robinson, Idaho; F. H. Colburn, California; Charles E. Hoyt, Connecticut; H. M. Brown, Michigan.

ceived at the General Offices urging that the Convention of 1915 be held on the Pacific Coast—that those desiring to attend the Convention would have the opportunity to visit the Panama-Pacific Exposition. The officers of our Association did not deem it advisable to hold this Convention in San Francisco, owing to difficulty in securing proper hotel accommodations and the attractions which would interfere with a successful meeting.

Seattle is one of the live, energetic and progressive cities of the Pacific Coast and will handle the Convention in a most excellent manner and with the genuine hospitality which is always encountered in that section of the country.

This far western trip will also afford a most excellent opportunity for visitors to take advantage of various tours which will be arranged by the Trunk Line carriers.

# LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

## INTERLOCKING DIRECTORATES.

THE Clayton Bill, so called, being an amplification of the Anti-Trust laws of the United States and containing provisions relating to Interlocking Directorates of banks and of corporations engaged in commerce, was approved by the President on October 15, 1914. As finally passed and approved, Section 8 regulating interlocking directorates is as follows:

### TEXT OF MEASURE.

"Sec. 8. That from and after two years from the date of the approval of this Act no person shall at the same time be a director or other officer or employee of more than one bank, banking association or trust company, organized or operating under the laws of the United States, either of which has deposits, capital, surplus, and undivided profits aggregating more than \$5,000,000; and no private banker or person who is a director in any bank or trust company, organized and operating under the laws of a State, having deposits, capital, surplus, and undivided profits aggregating more than \$5,000,000, shall be eligible to be a director in any bank or banking association organized or operating under the laws of the United States. The eligibility of a director, officer, or employee under the foregoing provisions shall be determined by the average amount of deposits, capital, surplus, and undivided profits as shown in the official statements of such bank, banking association, or trust company filed as provided by law during the fiscal year next preceding the date set for the annual election of directors, and when a director, officer, or employee has been elected or selected in accordance with the provisions of this Act it shall be lawful for him to continue as such for one year thereafter under said election or employment.

"No bank, banking association or trust company, organized or operating under the laws of the United States, in any city or incorporated town or village of more than two hundred thousand inhabitants, as shown by the last preceding decennial census of the United States, shall have as a director or other officer or employee of any private banker or any director or other officer or employee of any other bank, banking association or trust company located in the same place: **Provided**, That nothing in this section shall apply to mutual savings banks not having a capital stock represented by shares: **Provided further**, That a director or other officer or employee of such bank, banking association, or trust company may be a director or other officer or employee of not more than one other bank or trust company organized under the laws of the United States or any State where the entire capital stock of one is owned by stockholders in the other: **And provided further**, That nothing contained in this section shall forbid a director of class A of a Federal reserve bank, as defined in the Federal Reserve Act, from being an officer or director or both an officer and director in one member bank.

"That from and after two years from the date of the approval of this Act no person at the same time shall be a director in any two or more corporations, any one of which has capital, surplus, and undivided profits aggregating more than \$1,000,000, engaged in whole or in part in commerce, other than banks, banking associations, trust companies, and common carriers subject to the Act to regulate commerce, approved February fourth, eighteen hundred and eighty-seven, if such corporations are or shall have been theretofore, by virtue of their business and location of operation, competitors, so that the elimination of competition by agreement between them would con-

stitute a violation of any of the provisions of any of the antitrust laws. The eligibility of a director under the foregoing provisions shall be determined by the aggregate amount of the capital, surplus, and undivided profits, exclusive of dividends declared but not paid to stockholders, at the end of the fiscal year of said corporation next preceding the election of directors, and when a director has been elected in accordance with the provisions of this Act it shall be lawful for him to continue as such for one year thereafter.

"When any person elected or chosen as a director or officer or selected as an employee of any bank or other corporation subject to the provisions of this Act is eligible at the time of his election or selection to act for such bank or other corporation in such capacity, his eligibility to act in such capacity shall not be affected and he shall not become or be deemed amenable to any of the provisions hereof by reason of any change in the affairs of such bank or other corporation from whatsoever cause, whether specifically excepted by any of the provisions hereof or not, until the expiration of one year from the date of his election or employment."

By Section 11, authority to enforce compliance with the above provisions is vested in the Federal Reserve Board where applicable to banks, banking associations and trust companies.

### SYNOPSIS OF MEASURE.

As finally passed the law, so far as it is applicable to banks, prohibits after two years, any person from at the same time being a director or other officer or employee of more than one bank or trust company operating under the Federal Law where either has deposits, capital, surplus and undivided profits aggregating more than five million dollars and also prohibits a private banker or a director of a State bank or trust company having deposits, capital, etc., exceeding five million from being a director in any bank operating under the laws of the United States. Furthermore, in cities of upwards of 200,000 inhabitants no bank or trust company operating under the National law can have as a director, officer or employee any private banker or director, officer or employee of any other bank or trust company located in the same place. The Act does not apply to mutual savings banks and it also permits a director, officer or employee of a bank or trust company operating under National law in any such city to be in one other bank or trust company where the entire capital stock of one is owned by stockholders in the other. The Act furthermore is to be construed not to forbid a Class A director of a Federal Reserve bank from being an officer or director or both in one member bank. The criminal penalties have been eliminated and authority to enforce the provisions applicable to banks, as already said, is vested in the Federal Reserve Board.

### HISTORY OF MEASURE.

In the latter part of January, in pursuance of Anti-Trust recommendations of the President, "Tentative Print Number 3" was prepared for consideration of the House Committee on Judiciary which held hearings thereon in February and March. As originally framed the tentative bill prohibited, after two years, a person from at the same time being director, officer or employee of two or more national or other banks, members of the Federal Reserve System, and also prohibited a private banker and a director in any State bank or trust company from being a director in any national or other bank, member of a Federal Reserve bank. These original provisions were very

broad and sweeping, having no regard to size or locality of the banks affected. General Counsel, acting under authority of the Committee on Federal Legislation, made a number of visits to Washington in February and March and discussed and opposed these provisions both with individual Congressmen and at the hearings, and later our entire membership was circularized and urged to co-operate in attempting to secure a modification or elimination of the Interlocking Directorate provisions. As a result of the hearings the Clayton Bill, H. R. 15657, was introduced in the House on April 14, reported from the House Judiciary Committee in revised form on May 6th, passed the House on June 5th, and was referred to the Senate Committee on Judiciary. The bill as it passed the House eliminated mutual savings banks and its original drastic provisions were otherwise modified as follows, though still unsatisfactory to the banks: As to banks generally, irrespective of locality, it prohibited (a) a person from at the same time being an officer or director of two or more national banks where either had capital, deposits, etc., aggregating more than \$2,500,000; (b) a private banker or director in a State bank having capital, deposits, etc., aggregating more than \$2,500,000 from being a director in a national bank. It contained, however, special provisions applicable to cities exceeding 100,000 population, of which there are 61 in the United States, substantially to the effect that no director or officer of a national bank could be a private banker nor in any other bank in the same place other than a mutual savings bank, except that he might be in not more than one other bank or trust company when the entire capital of one was owned by stockholders of the other. There was a further provision preventing common officers or directors of banks and of common carriers under certain conditions.

While the bill was pending before the Senate Committee on Judiciary, General Counsel filed a brief in behalf of the Association which contained arguments showing that the provisions as drawn went far beyond the purpose and intent of the Anti-Trust laws and would work great injury and injustice to hundreds of banks and bank officers in institutions which were non-competitive and where there was not the slightest possibility of the existence of any such evils as the law was proposed to remedy. After pointing out the various ways the provisions would injuriously operate, the entire elimination of such provisions was urged as being unnecessary or, as an alternative, that the Federal Reserve Board be given power to require resignations of officers in competitive institutions in case any abuses from the undue control or concentration of credit were found to exist. The brief urged that as the general tenor of the proposed legislation was in regulation of the eligibility or qualification of officers or directors of national banks, if any further provisions were necessary their most appropriate form would be by way of amendment of the Banking Act rather than by incorporation in an Anti-Trust bill.

On July 22 the Senate Judiciary Committee reported the bill to the Senate, recommending the entire elimination of the provisions as to Interlocking Bank Directors. In its report the Committee said: "A Senate amendment to this section strikes out the entire paragraph which relates to interlocking directorates of banks and trust companies. In proposing this amendment a majority of the Committee believed that such legislation as this more properly belongs to the domain of banking rather than of commerce and such additional regulation of bank directorates as may be wise and just should be made by amendments to the national bank acts, and the enforcement of it given to the Comptroller of the Currency and the Federal Reserve Board."

On September 2d the Senate passed the bill in accordance with the recommendations of the Committee, all provisions prohibiting Interlocking Directorates of Banks being eliminated, as well as the provisions against common directors of railroads and banks. This action, following the result of a long campaign against these provisions was, of course, most gratifying to our Committee on Federal Legislation and to the banks of the country.

On September 22d, however, the Senate Conferencees on the Clayton Bill yielded to the House Conferencees and agreed to put back the Interlocking Bank Directorate provisions as the same had passed the House. General Counsel immediately visited Washington and on September 23d had interviews with some of the House Conferencees in which he urged the injurious results of such action, but the utmost concession made was to enlarge the capital and deposit limitation to five million dollars, and the special provisions as to cities by making them apply to cities having over 200,000 instead of 100,000 population. On the afternoon of September 23d the report of the Committee of Conference, as agreed upon, was presented to the Senate. All the Clearing House Associations and State Bankers' Associations were immediately notified of the action taken and urged to use all legitimate means in endeavoring to procure a reconsideration of the subject. There was also wired an argument to the Vice-President of the United States against the injustice and impolicy of the provisions of the House bill and urging that they be eliminated. This was read before the Senate on September 30th. A copy of this argument was also forwarded to every Senator. The Senate, however, on October 5th, by a vote of 35 to 25 denied a motion to re-commit the bill and then adopted the report of the Conference Committee by a vote of 35 to 24. The bill then passed the House and the interlocking bank directorate provisions become effective two years from October 15, 1914, the date of the approval of the Act. The law as finally passed is materially modified from the drastic provisions originally introduced, and although the prohibitory provisions have not been entirely eliminated, as was done at one time by the Senate, the work done in opposition to the measure has not been altogether in vain, in view of the modifications finally adopted.

#### EMERGENCY REVENUE.

**T**HE Act to increase the internal revenue and for other purposes (H. R. 18891) as finally passed and approved October 22, 1914, contains the following special tax on banks:

"That on and after November first, nineteen hundred and fourteen, special taxes shall be, and hereby are, imposed annually as follows, that is to say:

First. Bankers shall pay \$1 for each \$1,000 of capital used or employed, and in estimating capital surplus and undivided profits shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year. Every person, firm, or company, and every incorporated or other bank, having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be a banker under this Act: **Provided**, That any postal savings bank, or savings bank having no capital stock, and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other business of banking, shall not be subject to this tax."

As originally introduced on September 21, the above provision imposed a special tax on banks of \$2 for each one thousand dollars of capital, including surplus and undivided profits. Our Administrative Committee having determined that this tax should be opposed, the Committee on Federal Legislation through the General Counsel, filed with the House Committee on Ways and Means a protest against the injustice of the proposed tax for the reason that it singled out one class of corporations instead of spreading the burden over all corporations alike and was therefore discriminatory and unfair. It was

stated that, in these critical times especially, where the banks have come loyally to the support of the Government and have been straining every resource to help the situation, they should be given all assistance possible instead of being penalized by discriminatory legislation; that there was no disposition among the banks to escape their fair share of the burden of taxation, but protest was entered against a provision which placed an undue share of this burden upon banking corporations solely and relieved all other corporations from the necessity of contributing their proportionate share. It was therefore urged that the provisions be readjusted so that the amount of revenue which it is estimated will be derived from this tax on bank capital be assessed proportionately upon the capital stock of all classes of corporations, including the banks.

All the Clearing Houses and State Bankers' Associations throughout the country were also wired and many independent protests were made by these bodies and by individual bankers. The bill passed the House on September 25 and was referred to the Senate Committee on Finance with whom a like protest was filed. A sub-committee of the Senate Committee recommended the elimination of the bank tax provision and the substitution of a tax on negotiable instruments but the full committee rejected this recommendation and decided to retain the tax on bank capital, recommending, however, to the Senate that it be reduced to one dollar per thousand. The law as finally passed so provides. The law furthermore provides a stamp tax on various instruments and documents but this does not extend to checks on banks. The following is the full text of Schedule A as passed indicating the documents to which the stamp taxes apply. The stamp taxes take effect on and after December 1, 1914, and continue during the year 1915:

#### SCHEDULE A.

##### Stamp Taxes.

Bonds, debentures, or certificates of indebtedness issued on and after the first day of December, nineteen hundred and fourteen, by any association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents, and on each original issue, whether on organization or reorganization, of certificates of stock by any such association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents, and on all sales, or agreements to sell, or memoranda of sales or deliveries or transfers of shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money or for the future transfer of any stock, on each \$100 of face value or fraction thereof, 2 cents: Provided, That it is not intended by this Act to impose a tax upon an agreement evidencing a deposit of stock certificates as collateral security for money loaned thereon, which stock certificates are not actually sold, nor upon such stock certificates so deposited: Provided further, That in case of sale where the evidence of transfer is shown only by the books of the company the stamp shall be placed upon such books; and where the change of ownership is by transfer certificate the stamp shall be placed upon the certificate; and in cases of an agreement to sell or where the transfer is by delivery of the certificate assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. And any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons, who shall make any such sale, or who shall in pursuance of any such sale deliver any

such stock, or evidence of the sale of any such stock or bill or memorandum thereof, as herein required, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

Upon each sale, agreement of sale, or agreement to sell, any products or merchandise at any exchange, or board of trade, or other similar place, either for present or future delivery, for each \$100 in value of said sale or agreement of sale or agreement to sell, 1 cent, and for each additional \$100 or fractional part thereof in excess of \$100, 1 cent: Provided, That on every sale or agreement of sale or agreement to sell as aforesaid there shall be made and delivered by the seller to the buyer a bill, memorandum, agreement, or other evidence of such sale, agreement of sale, or agreement to sell, to which there shall be affixed a lawful stamp or stamps in value equal to the amount of the tax on such sale. And every such bill, memorandum, or other evidence of sale or agreement to sell shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers; and any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons, who shall make any such sale or agreement of sale, or agreement to sell, or who shall, in pursuance of any such sale, agreement of sale, or agreement to sell, deliver any such products or merchandise without a bill, memorandum, or other evidence thereof as herein required, of who shall deliver such bill, memorandum, or other evidence of sale, or agreement to sell, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

That no bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell, in case of products or merchandise actually delivered at the time of sale or while in vessel, boat, or car, and actually in course of transportation, shall be subject to this tax, provided such bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell shall be accompanied by bills of lading or vouchers showing that the said products are actually in course of transportation as aforesaid.

Promissory notes, except bank notes issued for circulation, and for each renewal of the same, for a sum not exceeding \$100, 2 cents; and for each additional \$100 or fractional part thereof in excess of \$100, 2 cents.

Express and freight: It shall be the duty of every railroad or steamboat company, carrier, express company, or corporation or person whose occupation is to act as such, to issue to the shipper or consignor, or his agent, or person from whom any goods are accepted for transportation where a charge exceeding 5 cents is made a bill of lading, manifest, or other evidence of receipt and forwarding for each shipment received for carriage and transportation, whether in bulk or in boxes, bales, packages, bundles, or not so inclosed or included; and such shipper, consignor, agent, or person shall duly attach and cancel, as is in this Act provided, to each of said bills of lading, manifests, or other memorandum, a stamp of the value of 1 cent: Provided, That a consignment of newspapers to any one point or to different points by the same train or conveyance when inclosed in one general bundle at the point of shipment shall be considered as one shipment, and, in lieu of a bill of lading therefor, the publisher of such newspaper shall file on or before the fifteenth day of each month with the collector of internal revenue for the district in which such newspaper is published a report under oath showing the number of such shipments during the preceding month to which report such publisher shall affix and cancel stamps equal in value to 1 cent for each shipment so reported: Provided further, That the report herein required shall not include

shipments of newspapers delivered to points within the county in which the same are published. Any failure to issue such bill of lading, manifest, or other memorandum, as herein provided, shall subject such railroad or steamboat company, carrier, express company, or corporation or person to a penalty of \$50 for each offense.

**Telegraph and telephone messages:** It shall be the duty of every person, firm, or corporation owning or operating any telegraph or telephone line or lines to make within thirty days after the expiration of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations originated at each of their respective exchanges, toll stations, or offices, and transmitted thence over their lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall collect from the person paying for the message or conversation a tax of 1 cent in addition to the regular charges for the message or conversation, which tax the said person, firm, or corporation shall in turn pay to the said collector of internal revenue of their respective districts: Provided, That only one payment of said tax shall be required, notwithstanding the lines of one or more persons, firms, or corporations shall be used for the transmission of each of said messages or conversations: Provided further, That the messages or dispatches of the officers and employees of any telegraph or telephone company concerning the affairs and service of the company, and like messages or dispatches of the officials and employees of railroad companies sent over the wires on their respective railroads shall be exempt from this requirement: And provided further, That messages of officers and employees of the Government on official business shall be exempt from the taxes herein imposed upon telegraphic and telephonic messages.

**Bond:** For indemnifying any person or persons, firm, or corporation who shall have become bound or engaged as surety for the payment of any sum of money, or for the due execution or performance of the duties of any office or position, and to account for money received by virtue thereof, and all other bonds of any description, except such as may be required in legal proceedings, not otherwise provided for in this schedule, 50 cents.

**Certificate of profits, or any certificate or memorandum showing an interest in the property or accumulations of any association, company, or corporation, and on all transfers thereof, on each \$100 of face value or fraction thereof,** 2 cents.

**Certificate:** Any certificate of damage, or otherwise, and all other certificates or documents issued by any port warden, marine surveyor, or other person acting as such, 25 cents.

**Certificate of any description required by law not otherwise specified in this Act,** 10 cents.

**Contract:** Broker's note, or memorandum of sale of any goods or merchandise, stocks, bonds, exchange, notes of hand, real estate, or property of any kind or description issued by brokers or persons acting as such, for each note or memorandum of sale, not otherwise provided for in this Act, 10 cents.

**Conveyance:** Deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance thereon, exceeds \$100 and does not exceed \$500, 50 cents; and for each additional \$500 or fractional part thereof in excess of \$500, 50 cents: Provided, That nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt.

**Entry of any goods, wares, or merchandise at any customhouse, either for consumption or warehousing, not exceeding \$100 in value,** 25 cents; **exceeding \$100 and not exceeding \$500 in value,** 50 cents; **exceeding \$500 in value,** \$1.

Entry for the withdrawal of any goods or merchandise from customs bonded warehouse, 50 cents.

**Insurance:** Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: Provided, That purely cooperative or mutual fire insurance companies or associations carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided: And provided further, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

Each policy of insurance, or bond or obligation of the nature of indemnity for loss, damage, or liability issued, or executed, or renewed by any person, association, company, or corporation, transacting the business of fidelity, employer's liability, plate glass, steam boiler, burglary, elevator, automatic sprinkler, or other branch of insurance (except life, personal accident, and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit), and each bond undertaking or recognizance, conditioned for the performance of the duties of any office or position, or for the doing or not doing of anything therein specified, or other obligation of the nature of indemnity, and each contract or obligation guaranteeing the validity or legality of bonds or other obligations issued by any State, county, municipal, or other public body, or organization, or guaranteeing titles to real estate or mercantile credits executed or guaranteed by any liability, fidelity, guarantee, or surety company upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: Provided, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

**Passage ticket, for each passenger, sold in the United States for passage by any vessel to a foreign port or place, if costing not exceeding \$30, \$1; costing more than \$30 and not exceeding \$60, \$3; costing more than \$60, \$5:** Provided, That such passage tickets, costing \$10 or less, shall be exempt from taxation.

**Power of attorney or proxy for voting at any election for officers of any incorporated company or association, except religious, charitable, or literary societies, or public cemeteries,** 10 cents.

**Power of attorney to sell and convey real estate, or to rent or lease the same, to receive or collect rent, to sell or transfer any stock, bonds, scrip, or for the collection of any dividends or interest thereon, or to perform any and all other acts not hereinbefore specified,** 25 cents: Provided, That no stamps shall be required upon any papers necessary to be used for the collection of claims from the United States for pensions, back pay, bounty, or for property lost in the military or naval service.

**Protest:** Upon the protest of every note, bill of exchange, acceptance, check or draft, or any marine protest, whether protested by a notary public or by any other officer who may be authorized by the law of any State or States to make such protest, 25 cents.

**Every seat sold in a palace or parlor car and every berth sold in a sleeping car,** 1 cent, to be paid by the company selling the same.

#### CONCERNING SPECIAL TAX ON BANKS.

The first special tax on banks will be based on the capital, surplus and undivided profits for the preceding fiscal year ended June 30, 1914, and will be eight-twelfths of one dollar per thousand to cover the eight remaining months of the tax year ending June 30, 1915. The tax is due now, but the procedure of making return, assessment and payment awaits the promulgation of rules by the Treasury Department.

The act contains the following provisions:

"That on the day after the 31st day of December, 1915, the taxes levied under this act shall be no longer levied and collected, but all taxes arising or accruing before said date shall continue to be collectible under the terms of this act." (Sec. 24.)

"That the special taxes imposed by this act and payable during the special tax year ending June 30, 1916, shall be collected and paid propor-

tionately for the period during which such taxes shall remain in force during the year." (Sec. 4.)

It would seem, therefore, that banks under the present provisions will have to pay:

8/12 of \$1 per \$1,000 for tax year ended June 30, 1915  
6/12 of \$1 per \$1,000 for 6 months to January 1, 1916,  
or fourteen months in all.

### OPINIONS OF GENERAL COUNSEL.

#### Summary of Questions Received and Opinions Rendered to Members of the Association.

##### ACCEPTANCE BY TELEGRAPH AND TELEPHONE.

**Drawee bank promising by wire to pay customer's check is liable to holder and drawer cannot thereafter stop payment, but similar promise over telephone is not binding, because acceptance must be in writing and drawer's right to stop payment continues.**

From Alabama.—We have recently had under discussion the advisability of paying checks covered by telegraphic guarantees. The matter we wish to place before you is, whether or not a bank is liable when a positive telegram is sent advising that they will on receipt pay a customer's check for a stipulated amount. Also if, in your opinion, a guarantee from one bank to another over long distance telephone is binding when both parties talking are known to each other and the bank called upon guarantees the payment of a customer's check. Can a bank accept an order to stop payment from its customer after once guaranteeing payment either by wire or telephone.

1. A bank receiving a wire asking if it will pay a check on a customer for a stated amount and wiring reply that it will pay is bound to one who purchases the check on faith of such telegraphic promise. In the JOURNAL for September, 1912, page 175, I published an opinion to this effect and further that a bank so accepting a check by wire has the right to charge the amount to the drawer's account the same as in case of a check certified over the counter and that the drawer cannot thereafter stop its payment.

2. But the case is different where the promise to pay is not by wire but over the long distance telephone. The Negotiable Instruments Act requires that an acceptance must be in writing and this requirement is not met by an oral acceptance over the telephone. In the JOURNAL for March, 1914, at page 623, you will find an opinion, fortified by a citation of recent authorities, to the effect that an oral promise over the telephone or otherwise by a drawee of a check to pay the same is not binding because of the requirement that an acceptance must be in writing. Furthermore, that the drawee bank cannot, in the absence of fraud, be held liable to the holder of the check who has cashed the same on faith of the oral promise, by virtue of the equitable principle of estoppel of the drawee to deny liability to one who has advanced value on faith of the promise, as the courts hold this principle is inapplicable in face of the positive statutory requirement of written acceptance. A bank, therefore, cannot be held upon a promise over the telephone to pay a customer's check and in such case, differing from the telegraphic acceptance, the drawer has the right to thereafter stop payment.

##### TAXATION OF NATIONAL BANKS.

**A State or city has no power to impose a license tax upon a National bank.**

From California.—Since the incorporation of our city some five years ago, certain business licenses have been required by the city of the

business houses and the bank has been included in the list and we have regularly paid this license tax. Our attention has been directed to the fact that the city has no authority to tax National banks in this manner and that we are under no obligation to make payment. Will you kindly give us your opinion regarding this point

From Nevada.—Kindly advise us if our National Bank is compelled to pay a town license for doing business.

It has been held in a number of cases that neither the State nor its municipalities can impose a license or privilege tax upon the National banks. Mayor v. First National Bank, 59 Ga. 648; City of Carthage v. First National Bank, 71 Mo. 508; National Bank of Chattanooga v. Mayor, 8 Heiskell (Tenn.) 814.

##### PROTEST OF COUNTY WARRANT.

**Not negotiable and not subject to protest.**

From Alabama.—We enclose herewith county warrant:

\$.....THE STATE OF ALABAMA.

Lee County

COMMISSIONERS COURT.

Treasurer of said County.

.....Term 191

Pay .....or Bearer

...../100 DOLLARS

for .....

out of moneys in the Treasury not otherwise appropriated.

No. 6000

.....Judge of Probate.

We would like you to advise us whether these warrants are subject to protest or not. We had the question arise in the bank several days ago and there seems to be quite a difference of opinion regarding it.

A county warrant of this character is not negotiable and therefore not subject to protest. It has been held by the courts in numerous cases that warrants, drafts or orders drawn for payment of municipal debts by one public officer on another are not negotiable instruments. Fox v. Shipman, 19 Mich. 218; School District No. 2 v. Stough, 4 Neb. 357; State v. Huff, 63 Mo. 288. The Negotiable Instruments Act, furthermore, provides that an instrument to be negotiable "must contain an unconditional promise or order to pay a sum certain in money" and further that "an order or promise to pay out of a particular fund is not unconditional." The warrant you enclose is payable "out of moneys in the Treasury not otherwise appropriated." It is therefore payable out of a particular fund and is not negotiable under the provisions of the Negotiable Instruments Act.

The protest authorized by the Negotiable Instruments Act applies only to negotiable instruments; not to non-negotiable orders or promises for the pay-

ment of money. Aside from the Negotiable Instruments Act there is no other statutory provision in Alabama under which a notary would be held authorized to make protest of an instrument of a non-negotiable character. The only provision in the Alabama Code relating to protest, aside from the provisions in the Negotiable Instruments Act, is a provision in regard to the authority of notaries public to protest instruments, which is as follows: "Notaries public have authority \*\*\* (3) To demand acceptance and payment of bills of exchange, promissory notes, and all other writings which are governed by commercial law as to days of grace, demand, and notice of non-payment; to protest the same for non-acceptance or non-payment, and to give notice thereof as required by law." (Code Ala. 1907, Vol. 2, Sec. 5166). This it is seen relates to negotiable instruments only.

It follows, therefore, that a county warrant, such as referred to by you, is not subject to protest in Alabama.

#### CHECK "NOT PAYABLE THROUGH EXPRESS COMPANY."

Such provision is valid and does not affect negotiability of the check which can be presented through other channels.

From South Dakota.—There is a bank in this State using checks with the words "Not payable through an express company" printed on the face of the checks. We would like to have your opinion as to the negotiability of these checks.

The words "not payable through an express company" printed on the face of a check have been held not to affect its negotiability. Such a provision is a valid and binding stipulation excluding payment of the check to an express company but leaving it open to be negotiated and presented through other channels. See an opinion published in the JOURNAL for November, 1913, at page 371, in which I collected the cases on the subject.

#### RIGHTS OF HOLDER IN DUE COURSE.

Can enforce payment of draft against drawer free from defenses available against payee.

From Indiana.—Kindly give us your opinion as to the liabilities assumed, (especially by the issuing bank) and the recourse that may be had by the parties to a transaction of the following nature: Pursuant to a request by letter for a loan, A purchases of Bank B, bank B's draft on New York, payable to the order of C. A mails the draft to C, who negotiates the draft to D, who, we will assume, is an innocent purchaser in due course. D obtains payment thereon from a third bank, and in the usual course, the draft is presented for payment to the bank on which it is drawn. In the meantime, however, Bank B, at the request and direction of A, stops payment. Upon presentation, the drawee bank refuses payment, and the draft goes to protest. Finally, the draft is returned to D, whom C refuses to reimburse. C is not responsible.

D, being a holder in due course can enforce payment of the draft from the drawer, bank B. The Negotiable Instruments Act defines his rights as follows: "A holder in due course holds the instrument free from any defect of title of prior parties and free from defenses available to prior parties among themselves, and may enforce payment of the instrument for the full amount thereof against all parties liable thereon." D, being a holder in due course is not affected by any defense available against C and presumably when the drawer bank stopped payment at request of the purchaser, it protected itself by a proper indemnity against liability on the draft to an innocent purchaser.

#### CERTIFICATE OF DEPOSIT.

Provision printed on back of certificate payable on return that "this certificate is payable twelve months after date" is part of terms of contract on face so that instrument is not a demand but a time certificate of deposit.

From Colorado.—Please state whether or not in your opinion money received for deposit as evidenced by the following certificate of deposit constitutes a time deposit. I desire this information for the purpose of figuring legal reserve under the new banking act. The certificate referred to reads as follows:

No. 525778 Denver, Col., Sept. 5, 1913.

John Doe has deposited in .....

THE .....NATIONAL BANK

Two Thousand .....Dollars  
payable in current funds to the order of self  
on return of this Certificate properly indorsed.

\$2,000. Not subject to check.

This certificate bears the following indorsement on the back: "This Certificate is payable 12 months after date, with interest at 3 per cent. per annum. No interest after maturity."

It is the custom of the bank in question to pay these certificates on demand except that in 1893 and 1907 payment was refused on such as had not been outstanding for one year or more.

I should construe the certificate in question as a time certificate of deposit upon which the bank would not be liable to pay if demanded prior to twelve months from date. The certificate is payable on demand according to its face but printed on the back is the provision that "this certificate is payable twelve months after date." The only question which suggests itself is whether the words on the back making the certificate payable twelve months after date constitute a part of the contract on the face or whether the contract on the face to pay on demand is independent and complete in itself and not qualified or affected by contrary provisions on the back. According to the authorities, the words on the back are a part of the terms of the contract, equally as those on the face, so that this certificate, in law, is a contract to pay on return properly indorsed twelve months after date.

The following is the result of an examination into the authorities which establish the proposition that the words printed on the back of the certificate in question are a part of the terms thereof:

As to memoranda upon bills and notes, questions have frequently arisen as to whether or not they were to be regarded as incorporated into the instruments themselves. In an early English case (Warrington v. Early, 2 El. & Bl. 763, decided in 1850), where the words "with lawful interest" were written in the corner of a note after its execution, and without the maker's consent, Lord Campbell, C. J., said: "This forms part of the contract. It would clearly have been so if it had been written in the body of the note, and we think a memorandum of this kind written in the corner of the note is equally part of the contract, because the contract must be collected from the four corners of the document, and no part of what appears there is to be excluded."

The above case was cited, with approval, in Benedict v. Cowden, 49 N. Y. 396, where the court said, inter alia: "In Massachusetts the decisions are uniform, and to the effect that any memorandum underwritten or in the margin or indorsed upon a note, constitutes an essential part of the contract, when such is the intent of the parties. Springfield Bank v. Merrick, 14 Mass. 322; Coolidge v. Ingler, 13 id. 26" \*\*\* and other citations.

In Heywood v. Perrin, 10 Pick. [Mass.] 228, at the bottom of a promissory note on demand, was written the memorandum, "one-half payable in twelve months, the balance in twenty-four months;" and it

was held that it was competent for either party to the note to prove by parol evidence the time when, the person by whom, and the circumstances under which the memorandum was affixed to the note. It was also held that there was not such a repugnance between the memorandum and the words "on demand" as would invalidate the contract, but that the memorandum limited the generality of those words. Franklin Sav. Inst. v. Reed, 125 Mass. 365, is to the same effect.

It was held in Efflinger v. Richards, 35 Miss. 540, that a written agreement between the maker and the payee indorsed on a promissory note to the effect that the note, though payable on its face, on demand, was not payable until the happening of a future event, is to be construed as if incorporated in the note and a part of it; and hence the note will not become due and payable until the event mentioned in the indorsement transpires, and the statute of limitations will commence running only from that time.

Daniel in his work on Negotiable Instruments, (6th ed. Vol. 1 p. 203) says: "It seems that the purpose of the instrument is not only to be collected from the four corners, but from the eight corners; a memorandum on the back affecting its operation being regarded as the same as if written on its face." This quotation is cited, with approval, in Farmers Bank v. Ewing, 78 Ky. 264.

In Van Zandt v. Hopkins, 151 Ill. 248, it was held that a memorandum, either after the signatures to a bill or note, on the back, or written on the margin contemporaneously with the execution of the instrument, and by agreement of the parties, will form a part of their contract, and bind them the same as if introduced into the body of the instrument.

#### JUDGMENT NOTE.

Note authorizing confession of judgment "at any time" not negotiable—Surety consenting to entry of judgment prior to maturity not discharged by such entry.

From Pennsylvania.—We enclose a note and would be pleased to have your opinion whether it is negotiable or not by reason of the following clause: "and further do hereby authorize and empower any Attorney of any Court of Record in Pennsylvania or elsewhere, to appear for and confess judgment in favor of the legal holder of the above, for the above sum, at any time with or without declaration, with costs of suit, \*\*\*. This note shall be negotiable." You will observe we have added the words "this note shall be negotiable." The points upon which we particularly desire information are (1) whether a judgment note such as the enclosed is negotiable in Pennsylvania under the Negotiable Instruments Act and (2) in case this note were discounted and it would be necessary to enter judgment on the note, which we understand could be done at any time before due, this would release either of the indorsees who have signed on the back as sureties.

1. The clause in the note authorizing confession of judgment "at any time" destroys its negotiability. It is the practice in Pennsylvania upon such a form of note, as I understand, to enter up judgment before maturity in order to obtain a lien upon real estate, but to delay issuing execution upon the judgment until after maturity. Before the Negotiable Instruments Act was passed the courts in Pennsylvania held that a stipulation of this kind rendered the note non-negotiable. See Sweeney v. Thickstun, 77 Pa. St. 131; Overton v. Tyler, 3 Barr, 346. The Negotiable Instruments Act does not make such a form of note negotiable. That Act contains a provision that "the negotiable character of an instrument otherwise negotiable is not affected by a provision which \*\*\* authorizes a confession of judgment if the instrument be not paid at maturity \*\*\*." It was held in Wisconsin Yearly Meeting v. Babler, 115 Wis. 189, that this provision did not make negotiable a note, such as the one in question, upon which judgment could be entered at any time after its date, whether due or

not, but only such notes which authorize a confession of judgment if the instrument is not paid at maturity. The note in question is, therefore, not negotiable and the express stipulation in a non-negotiable note that "this note shall be negotiable" would not make it a negotiable instrument.

2. Your further question is whether, if the bank enters up judgment on this note before maturity, it would release the sureties who have indorsed a contract upon the back whereby each "becomes responsible to the holder as surety for the payment thereof and consents to its conditions" with waiver of protest. I do not see how the entering up of judgment before maturity would release the surety. It is true that it is a well known rule of law that any agreement between creditor and principal which varies essentially the terms of the contract by which the surety is bound, without his consent, will release him from responsibility (Richards v. Market Exchange Bank, 81 Ohio St. 348) but without discussing and even assuming the entering up of judgment before maturity would vary the terms of the contract, which is doubtful, the surety in this case has consented thereto and therefore is clearly not released by such entry of judgment.

#### SAVINGS PASS-BOOK.

A savings pass-book is not negotiable and an assignee or pledgee who advances value thereon upon faith of the entries shown, cannot hold the bank liable where withdrawals have not been entered as provided by rules printed in the book.

From North Carolina.—Will you kindly advise us the law on cashing for a depositor his check on a savings account when his book, like the one enclosed herewith does not accompany check? Would the bank be liable to an innocent party who might advance money as per pass-book record when withdrawals had not been entered?

A savings bank or savings department pass-book is not a negotiable instrument (Mills v. Albany Exchange Bank, 59 N. Y. Supp. 149) and an assignee of the book and account from the depositor takes no greater rights than the latter against the bank. The book contains a rule requiring its presentment when money is withdrawn in order that the payment may be duly entered therein, but the failure of the bank to enforce this rule would not estop it as against the depositor's assignee from asserting that money had been paid the depositor which had not been entered in the book. Where an innocent party advances money to the depositor on pledge of the book relying upon the statement of account therein shown, he does so at his peril for, as said, the book is not a negotiable instrument, assignment of which would give him greater rights than the depositor nor would there be any duty of the bank running to such innocent third person to enter all withdrawals in the book which would estop the bank from showing the true state of the account. In other words, the bank would not be liable to an innocent third party who might advance money to a depositor on faith of the balance shown by the pass-book when withdrawals had not been entered.

#### NO LIEN ON NATIONAL BANK STOCK.

National bank has no lien on its stock for indebtedness of stockholder.

From Michigan.—We are holding a certificate of stock in a National Bank as collateral security to a loan. A local attorney has lately informed us that a National Bank has a prior lien on its stock for any indebtedness due the bank from a stockholder even as against a pledgee as security for a loan. This is contrary to our understanding of the matter. Will you please give us your opinion, together with citations, if any?

National bank stock in the hands of a pledgee is not subject to any lien by the issuing bank for in-

debtedness of the stockholder. Section 5201 U. S. Rev. St. provides: "No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale; or, in default thereof, a receiver may be appointed to close up the business of the association, according to section fifty-two hundred and thirty-four."

It has been held under this section that a National bank can acquire no lien on its stock in the hands of its stockholders for an indebtedness to the bank and that any provision in its Articles of Association or By-laws prohibiting the transfer of stock until the liability of the stockholder is paid is void. *Bank v. Lanier*, 11 Wall. 369; *Third Nat. Bank v. Buffalo German Ins. Co.*, 193 U. S. 581.

#### RIGHT OF PURCHASER OF STOPPED CHECK.

**Payee has no right to stop payment but where drawer stops payment at payee's request, holder in due course from payee may hold both drawer and payee liable.**

From Nebraska.—A gives B a check. B indorses his name on the back of said check and gives it to another party C. Then B for some reason of his own stops payment of the check giving written notice to the bank on which the check is drawn. Does an indorser such as B have the right to stop payment on the check in this State? And can the third party C get damages against the bank, or against A? Would it make any difference B having indorsed it simply, or to the order of C?

The payee of a check has no right to stop its payment. The only party that has such right is the drawer, who is a customer of the bank and who by drawing the check authorizes the bank to pay it. In some cases, however, where a payee has indorsed over a check which has been obtained from him by fraud or without right, the drawer will stop payment at the payee's request. In the case stated, assuming after indorsement of the check by the payee B to C, payment has been stopped at B's request, C would have no recourse upon the bank but if he had obtained the check without fraud and had given value for it to B so as to acquire the rights of a holder in due course, he would have a right of action against the drawer A and also against the indorser B. You further ask whether it would make any difference as to C's right of enforcement in a case where B had indorsed the check in blank or specially to the order of C. Under either form of indorsement C would take title and right of enforcement against prior parties, provided of course he had given value in good faith for the check so as to be a holder in due course. In any case, however, where A gives his check to B and B indorses it to C who procures it through fraud and payment is stopped by the drawer at the request of the payee, the holder C would have no enforceable rights against any one.

#### LIABILITY OF INDORSER.

**Demand and notice of dishonor at maturity are necessary to preserve indorser's liability unless waived.**

From Pennsylvania.—We purchased a note from one of our customers. When this note was due the payee was ill and could not attend to the renewal and we did not notify the maker, as we were under the impression that it was not necessary to do this to hold either party, there being no other indorsers. I give you the form of the note herewith, the names given being fictitious:

\$100.00

Phila., May 19, 1914.

Four months after date I promise to pay to the order of William M. Ingham, One Hundred ..... Dollars at the ..... Trust Company.

Value received.

(Signed) C. Elmer Paul.

It is indorsed by William M. Ingham, from whom we purchased the note.

The point is now made that as we did not either protest the note or in any manner notify the payee when it was due, that we have thereby lost our claim upon the payee who is also the indorser, and I should like to have your opinion upon the subject.

As the note contained no waiver of protest or notice, the indorser in this case was discharged by failure to notify him of its dishonor at maturity. See Section 89 of the Negotiable Instruments Act of Pennsylvania which provides:

"Except as herein otherwise provided, when a negotiable instrument has been dishonored by non-acceptance or non-payment, notice of dishonor must be given to the drawer and to each indorser, and any drawer or indorser to whom such notice is not given is discharged."

Unless waived, demand of payment at maturity and notice of dishonor are necessary to preserve the liability of an indorser. In the present case, the note is made payable at and held by your bank and such holding at maturity constitutes a sufficient demand. In fact, assuming the maker had an account at bank, the making of the note payable at bank was equivalent to an order to the bank to pay the same and charge to the account of the maker and if the bank failed to do so, where the account was sufficient, this would in itself release the indorser from liability. But assuming the maker had no account in bank or if he had one, that it was not sufficient, the possession of the note at maturity, in the hands of the bank where payable, of itself operates as a demand of payment and, being dishonored by non-payment, the further step of giving notice of dishonor to the indorser, was necessary to his liability, failing which he was discharged.

#### REVOCATION OF CHECK BY DEATH.

**Death of drawer revokes authority of bank to pay his outstanding checks and payment by bank, after knowledge of death of drawer is unauthorized, but bank is protected where it pays check in ignorance of death—Statute in Massachusetts, however, authorizes bank to pay check of a depositor, notwithstanding his death, if presented within ten days after date and this applies to National banks.**

From Massachusetts.—Can a National bank legally pay a check after the decease of the drawer, his death being known to the officials of the bank?

In making reply to above question, which was published in the JOURNAL for October, at page 223, I stated the general rule that death of the drawer revokes the authority of the bank to pay his outstanding checks and that payment by the bank after knowledge of the death of the drawer is unauthorized but that the bank is protected where it pays a check in ignorance of death. I stated that the above rule would apply in absence of statute and quoted the statute in Massachusetts relating to savings banks (Chapter 590 Acts 1908 Section 65) which provides:

"Such corporation may pay an order, drawn by a person who has funds on deposit to meet the same, notwithstanding the death of the drawer, if presentation is made within thirty days after the date of such order; and at any

time if the corporation has not received written notice of the death of the drawer."

I stated that this statute would not apply to a National bank so as to authorize payment of a customer's check after his death where the officials had knowledge thereof.

This reply was incomplete and therefore incorrect in its conclusion because I overlooked an additional statutory provision in Massachusetts, namely, Chapter 73, Section 17, Revised Laws of Massachusetts, which reads as follows:

"A depositary of funds subject to withdrawal by check or demand draft may pay a check or demand draft drawn on it by a depositor having funds on deposit to pay the same, notwithstanding his death, upon presentation within ten days after its date."

The above statute, in my opinion, would apply to a National bank for it is generally recognized by the courts that State statutes are so applicable where they do not conflict with the National Bank Act, or tend to impair the utility of National banks as instrumentalities of the Federal Government. The answer to the above question, therefore, should be that a National bank in Massachusetts can legally pay a check after decease of the drawer, his death being known to the officials of the bank, upon presentation within ten days after its date, the funds being sufficient for that purpose.

#### GARNISHMENT OF SAVINGS ACCOUNT.

An account in a savings bank equally as in a commercial bank is subject to garnishment by a creditor of the depositor in the absence of a statute exempting such an account from garnishment.

From Washington.—Will you be good enough to give us any citation you may have bearing on the question as to whether or not a savings account can be garnished, and in a few words your opinion on the matter?

When a deposit is made in bank on general account, the bank becomes debtor of its depositor for the amount and the general rule is such debt continues as property of the depositor until the bank has paid or promised to pay the person for whose use the deposit is made and during the interim it can be reached by garnishment procedure at the instance of a creditor of a depositor. *Murphree v. Mobile*, 108 Ala. 663; *Maloney v. Casey*, 164 Mass. 124; *Farmers etc. Nat. Bank v. Ryan*, 64 Pa. St. 236; *Kaesemeyer v. Smith*, [Ida. 1912] 123 Pac. 943; *Washington etc. Brick Co. v. Traders Nat. Bank*, 46 Wash. 23.

A deposit in a savings bank, equally as in a commercial bank, creates a debt of the bank which is the property of the depositor and in the absence of a statute to the contrary, it is subject to garnishment by a creditor of the depositor; it stands in this respect at least on the same footing as a general deposit. Washington has no statute exempting savings bank accounts from garnishment.

Garnishment proceedings are provided to enable a creditor to reach funds of a debtor which cannot be reached by execution, but which in equity and good conscience should be applied to the payment of the creditor's debt. *Allen v. Woodruff*, 2 Ala. App. 415. Savings bank accounts should form no exception to this rule.

#### FARM LEASE AS CHATTEL MORTGAGE.

Opinion that the filing of a lease containing agreement by lessee to execute chattel mortgage on crops as soon as planted and growing would not protect lessor against subsequent mortgagee of crops after they were grown, where promised mortgage not given.

From Nebraska.—I enclose a form of lease and would like your opinion whether if the lease

is at once filed in the chattel mortgage index in Nebraska it will absolutely protect the owner of the lien for the rent notes even if mortgage be not made as provided by the lease and another party takes a mortgage upon the crops; that is, whether the lien owner will suffer from laches in not taking his mortgage or whether the clauses in the lease giving the owner a lien and containing an agreement that a mortgage of the crops will be given as soon as planted and growing, will absolutely protect him.

The lease submitted is a five year farm lease, the lessee agreeing to pay \$800 per year as evidenced by his notes. It provides among other things that the lessor shall have a lien upon all personal property owned by the lessee for the rent agreed to be paid and contains a further agreement by the lessee that as soon as the crops for each year of the term are planted and growing and not later than June first of each year, the lessee will execute to the lessor a chattel mortgage on all the crops on the premises which shall be a first lien thereon to secure payment of the rent and failure so to do shall at the option of the lessor render the lease null and void and give the lessor the right of immediate possession of the premises and that the giving of the chattel mortgage is of the essence of the lease.

You ask whether if the lease is immediately filed it will absolutely protect the lessor for the rent notes even if the chattel mortgage is not given as provided and the lessee mortgages the crops to some one else.

So far as the crops are concerned, I doubt very much if the lessor would be protected as against a mortgagee of the crops after they were grown, by the mere filing of the lease, assuming that an instrument in this form may be recorded in Nebraska. The clause in the lease in regard to the chattel mortgage is nothing more than an agreement to execute the mortgage at a future time and it is doubtful if the filing of the lease would affect the rights of a subsequent mortgagee of the crops.

In *Forrester v. Kearney Nat. Bank*, 49 Neb. 655, the court, in speaking of chattel mortgages, said: "Under the statute, it could be made a valid and subsisting lien as to the other creditors of the mortgagor in one of two ways—by depositing the instrument, or a copy thereof, in the office of the county clerk of the proper county, or by the delivery of the mortgaged property to the mortgagee." \*\*\* The statute does not limit the time in which it must be filed. A chattel mortgage becomes valid as to creditors as of the date of the filing of the same, or the taking of actual possession of the property by the mortgagee." Cited, with approval, in *Meyer v. Miller*, 51 Kan. 620, 623.

But the question of the effectiveness of this instrument in Nebraska to bind future crops seems to be entirely disposed of in the negative by the following Nebraska cases:

In *Cole v. Kerr*, 19 Neb. 553, it was held that a mortgage executed, delivered and properly recorded March 30, 1882, purporting to convey "40 acres of wheat, 30 acres of oats now growing, 75 acres of corn, to be planted, and 50 acres of broom-corn, to be planted, tended and delivered in Juniata," conveyed no title or lien upon the corn as against the levy of an execution of date November, 1882. The court said, inter alia: "There is, to say the least of it, a great confusion of the authorities on the point being construed, but after a careful examination of those cited on either side in this case, I have reached the conclusion that as a question of law the lien of a chattel mortgage of a crop of corn not planted at the time of its execution and delivery will not attach to the corn when it comes into existence until it is seized by the mortgagee or until, in the language of a member of the court in the case of *Holroyd v. Marshall*, 10 H. of L. Cases, 191, 'a new intervening act.' Cited, with approval, in *New Lincoln Hotel Co. v. Shears*, 57 Neb. 478.

See also *Brown v. Neilson*, 61 Neb. 765, and exhaustive list of authorities there cited and reviewed, to the effect that a lien cannot be acquired on property not in esse.

# PROTECTIVE DEPARTMENT

L.W. GAMMON

MANAGER

## OFFICES OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.

ALABAMA, BIRMINGHAM.—Brown-Marx Building.  
CALIFORNIA, LOS ANGELES.—Walter P. Story Building.  
CALIFORNIA, SAN FRANCISCO.—First National Bank Building.  
COLORADO, DENVER.—First National Bank Building.  
ILLINOIS, CHICAGO.—Transportation Building.  
LOUISIANA, NEW ORLEANS.—Whitney Central Building.  
MARYLAND, BALTIMORE.—Munsey Building.  
MASSACHUSETTS, BOSTON.—201 Devonshire Street.  
MICHIGAN, DETROIT.—Dime Savings Bank Building.  
MINNESOTA, MINNEAPOLIS.—McKnight Building.  
MINNESOTA, ST. PAUL.—New York Life Building.  
MISSOURI, KANSAS CITY.—Midland Building.  
MISSOURI, ST. LOUIS.—704 Title Guaranty Building.  
NEW YORK, BUFFALO.—White Building.  
NEW YORK, NEW YORK CITY.—Woolworth Building.

OHIO, CLEVELAND.—Swetland Building.  
OREGON, PORTLAND.—Yeon Building.  
PENNSYLVANIA, PHILADELPHIA.—New Stock Exchange Building.

PENNSYLVANIA, PITTSBURGH.—Commonwealth Building.  
TEXAS, HOUSTON.—Union National Bank Building.  
WASHINGTON, SEATTLE.—Hinckley Block.

## FOREIGN OFFICES OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.

CANADA, MONTREAL.—501 Transportation Building.  
ENGLAND, LONDON, W.—Crown Chambers, 5 Regent St.  
FRANCE, PARIS.—16-17 Rue Auber.  
BELGIUM, BRUSSELS.—4 Passage des Postes, No. 6 Boulevard Ansprech.

**CORRESPONDENT OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.**  
IOWA, DES MOINES.—The Gus. J. Patek Detective Agency,  
515 Mulberry Street.

THE following is a report for the month of October, 1914, pertaining to the work of the Protective Department:

### WARNING.

Again the operations of CHAS. W. SHARP, alias Geo. Darlington, alias Col. C. H. Harris, alias A. B. Parker, alias Henry Harrington, alias E. P. Pennington, alias Frank Harrison have come to the notice of our detective agents in San Francisco. Sharp's latest crime was committed on a member bank at Phoenix, Arizona, which he succeeded in defrauding in the sum of \$875.00. Sharp appeared at the bank giving his name as Frank Harrison, and addressed the cashier by name, stating that he had just returned from Philadelphia and bore the best wishes of a mutual friend to the cashier. He then stated that he had come to Phoenix for his health and intended opening a cafeteria.

On September 14th, 1914, Sharp appeared at the bank and made a cash deposit of \$20.00 and two days later again called there and deposited a check for \$875.00 drawn on a member bank of Sonoma, California, on a regular form of the Fetters Hot Springs, which form he has previously used in swindling member banks. The following day he checked out \$400.00 of this account through another bank and also called at the bank personally and drew out his balance.

When Sharp first called at the bank he advised the cashier that he was staying at the Adams Hotel in Phoenix which is first class, but on investigating it developed that he had remained there but one day, having moved to the Adams Annex, a second class hotel. He stayed there four days and left, stating he was going in the country and would return soon and that he wished to retain his room by the month. Since that time nothing has been heard or seen of him. At the time he called at the bank he was smooth shaven.

Sharp has been reported in the JOURNAL-BULLETIN for July, 1912, page 32; November, 1912, page 319; April, 1913, page 684; July, 1914, page 42 and September, 1914, page 171.

On October 16th, 1914, a man claiming to be W. C. RICHMOND, called at a member bank in Prescott, Arkansas, and after being identified asked the bank to cash a check on the Union State Bank of Arkansas City, Kansas for \$50.00 made payable to himself and signed "F. C. THOMAS." The bank refused to cash this check on the grounds that they did not know if it bore a genuine signature. Richmond requested that the bank be wired about it and finally this was done with the result that a message was received from the bank at Arkansas City stating that they had no ac-

count in the name of F. C. Thomas. Richmond was to call the next day, but failed to do so. The Arkansas Bankers Association is co-operating with this Association in the investigation of this case.

F. HOLTZ, alias O. B. Brooks, alias Albert Neis, alias J. M. Weiss, alias T. E. Moncrief, etc., of whom mention is made in the JOURNAL-BULLETIN of August, 1914, page 113; Sept., 1914, page 174; October, 1914, page 229, and September, 1914, page 172, has taken up his activities on the Pacific Coast, and is reported as having been active in Los Angeles under the name of F. M. Clark. Particular attention of membership banks is called to this person whose description is given as follows: Age, 30; height, 5 feet 7 inches; weight, 150 to 160 lbs.; build, medium; hair, sandy; complexion, sandy; is near-sighted and wears heavy glasses; decidedly German in appearance.

His mode of operation has previously been shown and we desire to call attention of the similarity in each instance, which is to call upon some storekeeper who has advertised his place for sale, make arrangements for purchasing the store, and in this way secures an introduction at the bank where the storekeeper carries his account. After securing this introduction and establishing himself in the good graces of the officials of the bank, he produces a certified check against some eastern bank, which he deposits and checks against. The certified checks of course turn out to be forgeries with the result that the banks are defrauded. He has recently been using the checks of the State Bank of West Pullman, Chicago, Illinois. Should he make his appearance in your bank, notify the nearest office of our Detective Agents and cause his immediate arrest. The California Bankers Association is co-operating with this Association in this case.

A warrant for forgery has been issued by the District Attorney's office of Los Angeles, Calif., against one E. G. MARSH, charged with defrauding a member bank at Los Angeles, Calif., out of a sum of money, it being alleged that Marsh forged the name of one of the bank's depositors to a check for \$120 and which he succeeded in negotiating.

Our Detective Agents traced Marsh to San Francisco where he is supposed to make his headquarters. It is thought that the apprehension of Marsh is only a matter of time, as it is thought he is at present in hiding and will soon make his appearance at his old haunts. E. G. Marsh is described as follows: Age, 31; height, 5 feet 9 inches; weight, 160 lbs.; occupation, salesman; complexion, olive; hair, dark; eyes, dark; dress, rather neat.

He was formerly employed as a carbon salesman. The California Bankers Association is co-operating with this Association in this matter.

A member bank of Blackfoot, Idaho, was defrauded through a worthless check for \$65.00 drawn in favor of John Mathews. The check is endorsed by JOHN MATHEWS and LOUISA WATSON.

John Mathews is described as follows: Age, 40; height, 5 feet 6 inches; weight, 155 lbs.; eyes, blue; hair, brown; bald headed; beard, smooth shaven.

It is supposed that he formerly lived in St. Louis and also in Gunnison, Utah, and is a laborer.

A warrant is held for his arrest by the Sheriff at Blackfoot, Idaho.

On September 23, 1914, a man named A. L. BLACK defrauded a member bank at Reidsville, Ga., by means of a forged check.

Black is described as follows: 5 feet 10 inches in height, 190 pounds in weight, dark complexion, dark hair, dark eyes, and talks fast.

On September 8th, one W. O. SPENCER, who has been identified as W. O. Kutsche, a former Terra Cotta man and resident of Denver, defrauded a customer of a bank, member, at St. Maries, Idaho, by means of a bogus check. It appears that he has been operating against hotels at different points throughout Wyoming and Idaho and is probably headed for the Pacific Coast. He is described as follows: Age, 40; height, 6 feet 1 inch; weight, 153 to 160 lbs.; build, medium slender; eyes, blue; hair, reddish brown, short and curly with a great tuft of hair on the back of his head; beard, smooth shaven. Peculiarities: Broad shoulders, erect carriage, large boned, rather thin and cadaverous, has a hook nose, very self confident, smooth talker.

Came originally from Grand Rapids or Holland, Michigan. Has followed the brick machinery business also lumber, oil and promotion games. He is well known in California, also well known to the brick machinery men all over the country. He is also wanted by Sheriff J. W. McBroom, Arapahoe County, Littleton, Colorado, who holds warrant for his arrest on a charge of forgery.

A person using the name of W. C. RILEY, defrauded a member bank at Bellflower, Ill., by worthless checks aggregating \$325.00. His mode of operation was to start a newspaper in some town. He gains the confidence of the people by attending church and becoming an active worker. He is a smooth conversationalist, and approaches women and girls easily. Lectures quite often on the Holy Land. It is determined that this is none other than O. Wendell Thomas, alias Robert G. Curtis, alias Benjamin F. Scott, alias C. W. Perkins, alias Harper. His description is as follows: Age, 56 to 57; height, 5 feet 6 or 7 inches; weight, 160 to 170 lbs.; hair, snow white; eyes, bluish gray; piercing, deep set; smooth shaven; wears glasses; right corner of mouth droops slightly; gum chewer which he is very free to give to children; speaks German fluently.

With him is a woman, known as Mrs. E. R. Young, who is described as being about 30 to 35 years old; height, 5 feet 2 inches; weight, 130 lbs.; hair, dark brown; eyes, dark; has peculiar speech.

This man has also defrauded other banks; and is known to have been married some five or six times. It is also stated that he was sentenced to five years in the Anamosa Iowa State Prison for bigamy or wife desertion. In 1903 he was wanted at Pontiac, Ill., for forgery.

A member bank of Chicago, Ill., reports a raised and altered check by one using the name of JACOB D. SILVERMAN, who opened an account with a draft of the "Fashions Home," the House of Quality, Longview, Texas. It appears that the check used by Silverman had recently been made payable to a firm in New York City, and that the name and amount had been deleted and the name of Jacob D. Silverman and the amount inserted. While the Chicago Bank did

not suffer, as the check had been paid, recently another draft was presented at the Bank in Chicago where Silverman had kept his account and drawn against a member bank of New York. However, this draft was returned refused. No description of consequence can be secured of this criminal operator.

A bank member of Mount Vernon, Iowa, reports the case of a forgery to Secretary P. W. Hall, of the Iowa Bankers Association, they being interested with this Association in the apprehension of this criminal, who signs his name HENRY GEYER. No description or specimen of handwriting is at this time available. Our detective representatives are now investigating this case.

A member bank of the Iowa Bankers Association of Victor, Iowa, reports through Secretary P. W. Hall, a forgery committed by a party using the name of RICHARD MAXWELL, and who has succeeded in defrauding the bank at that point. No description or specimen of handwriting is at this time available.

One GEORGE SMITH was employed by a farmer at Galva, Kansas, during September, 1914. His work being unsatisfactory, he was paid in check and discharged.

He immediately proceeded to forge the name of his former employer to a check on a member bank which he cashed at a store in the city of Galva. The bank member lost through this man's operations.

He is described as follows: Short stature; weighs about 150 pounds, and has a swaggering walk. A sample of his handwriting is shown below.



JOHN McMAHON together with J. L. PATTERSON were employed by a farmer at Concordia, Kansas.

During September, 1914, they were discharged, whereupon they proceeded to forge their late employers' name to checks upon a member bank, which they passed in Concordia.

John McMahon is described as follows: Height, 5 feet 8 inches; weight, 150 pounds; complexion, dark; crippled in one hand.

J. L. Patterson is described as being: Height, 5 feet 6 inches; weight, 145 lbs.; complexion, dark.

On September 30th, one FELIX McNULTY secured \$96.40 from a membership bank at Grainfield, Kansas, by means of a forged check. This criminal's mode of operation is as follows:

He goes into the country, secures employment from some threshing machine man, works a few days, gets paid off by check and by means of such check he either raises it or forges one for a larger amount. This man is described as follows: Age, 20; height, 5 feet 6 inches; weight, 140 lbs.; eyes, dark; hair, dark brown; curly; smooth shaven; complexion, dark.

Felix McNulty has a confederate going by the name of Earl Foster, who is described as follows: Age, 19; height, 5 feet 8 inches; weight, 155 lbs.; build, medium; eyes, dark; hair, dark brown; smooth shaven; complexion, pimples on face.

LESLIE M. WAYMAN, a timber and log dealer has been operating extensively over Kansas, passing worthless checks which are drawn on a membership bank at Louisburg, Kansas. Wayman at one time carried an account in this bank. This man has operated at Lenexa, Cedar Vale, Hewins, Sedan, Chetopa, Neodesha and Oswego.

Our Detective Agents are endeavoring to locate Wayman who is described as follows: Age, 27 years; height, 5 feet 9 inches; weight, 180 to 190 lbs.; build heavy; complexion, dark; eyes, gray; hair, dark

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brown; smooth shaven. Sample of his handwriting appears below.

*Lissi M. Waynor -*

A party by the name of L. M. RICH continues to pass out worthless checks on the Peoples State Bank of Chapman, Kansas. This man's account has long since been exhausted at the above mentioned bank. He is of the following description: Age, 21 years; height, 5 feet 6 inches; weight, 145 lbs.; eyes, brown; hair, brown, slightly red; combs hair straight back; looks down; walks swiftly.

A specimen of his hand writing is shown below. A member bank at Topeka, Kansas is interested in this man's apprehension.

*E. M. Rich.*

D. W. KILPATRICK, until recently employed at the railroad depot at Wheaton, Kansas, as helper, wired a non-membership bank at Ratcliff, Texas, to pay Mrs. D. W. Kilpatrick \$100.00. To this telegram, he forged the name of a membership bank at Wheaton. Not until this money was advanced to Mrs. Kilpatrick at Ratcliff was it discovered that the telegram was a forgery.

Kilpatrick is described as follows: Age, 25 years; height, 6 feet; weight, 145 lbs.; eyes, black; complexion, dark; hair, black; build, very slender; very erect.

Any information secured concerning this criminal should be communicated to the nearest office of our detective agents.



ROLLIE EMMONS.

Early in October, 1914, a complaint was received by the Pittsburgh Office of our Detective Agents from a Membership Bank of Jenkins, Kentucky, advising that they were defrauded through having cashed a check on which the signature of one of the bank's customers was forged. An investigation was immediately started by our Detective Agents who have determined that one ROLLIE EMMONS is no doubt the person wanted for the forgery and for whom a warrant has been issued. Rollie Emmons has left the State of Kentucky, but his arrest it is believed will be brought about in the near future. A photograph of Rollie Emmons is reproduced herewith, also a specimen of his handwriting. He is described as follows: Age, 26 years; height, 5 feet 7 inches; weight, 165

lbs.; build, good; complexion, dark; hair, dark brown; eyes, dark; style of beard, smooth shaven; has a long deep scar from ear to mouth on left cheek; dress, dark clothes and usually wears a black, soft, telescope hat.

*Rollie, Emmons*

On September 28th, a membership bank, located in Baltimore, Maryland, reported an attempt against their bank, to negotiate a worthless check, by one JOHN PETERS.

This man, who claimed to be John Peters, called at the banking rooms of the membership bank and made out two deposit slips, endorsed a check which he had in his possession, and requested the teller to simply sign the duplicate deposit slip, which he did.

After the check went through the usual channels in the bank and had reached the bookkeeper for entry, it was found that there was no such account in the bank.

The check was returned to the teller who held it for a few days thinking that the man would return. It was held until September 28th, at which time the bank notified the Baltimore Office of our detective agents, as the operation excited the suspicion of the Assistant Cashier after he had received a warning letter notifying him of the same method of operation by another person as was described to be followed by this criminal.

The check referred to was drawn to the order of John Peters; to the amount of \$50, signed J. H. Peters, and endorsed John Peters, and it is very evident that the man who drew the check signed it and also endorsed it.

John Peters alias John Boyd, alias Harry Fowler, alias George W. Williams, alias T. W. Dougherty are one and the same person.

During last month this man using the names John Boyd, alias George Cassidy, alias Robert Dougherty succeeded in defrauding a member bank at Boston, Mass., by the same methods as are given above. This man is described as follows: Age, 25 years; height, 5 feet 6 inches; 155 to 160 lbs.; build, stocky; style of beard, smooth shaven; complexion, medium; dress, when last seen he wore a gray mixed mackinaw with felt hat.

A man representing himself to the J. E. MORRISON alias Morterman, alias Charles B. Kemper, and who claimed to be employed by the Moler Piano Company of Hagerstown, Md., opened an account with a member bank at Hagerstown, Md., by depositing a check on the First National Bank of Gettysburg signed Charles B. Kemper. He then gave a check to a local merchant which was paid by the bank. Later the check signed Charles B. Kemper was proven to be a bogus one.

J. E. Morrison is described as follows: Age, about 30 years; height, 5 feet 9 or 10 inches; dark hair and eyes; smooth face and weight about 160 lbs. A sample of his handwriting is shown below.

*J.E. Morrison*

On August 14, 1914, a bank member of Detroit, Michigan, reported having been defrauded by a party using the name of RALPH LOWENTHAL by a forged check of one of their customers.

Upon investigation by our detective agents it was found that Lowenthal had formerly been employed by the customer of the bank and was identified by our detective agents as having been convicted for receiving money under false pretenses at Lansing, Michigan.

His photograph was also secured and was identified by the bank customer as being the party who had been in their employ and issuing these checks and the possibilities are that this man will be apprehended shortly.

This criminal is described as follows: Age, 25 years; height, 5 feet 8 inches; weight, 140 lbs.; eyes, dark; hair, black; complexion, dark; build, medium; nationality, German Jew.



PERCY G. MAYHEW.

PERCY G. MAYHEW, whose photograph we reproduce above, has succeeded in defrauding a member bank in Grand Rapids, Michigan, by forgery and the securing of certain stocks and bonds belonging to a depositor, which he later disposed of. He is described as follows: Age, 35 years; height, 5 feet 11 inches; weight, 175 lbs.; build, medium; complexion, fair; eyes, blue; hair, dark brown; smooth shaven. Of late he has been a very heavy drinker. He is wanted in Grand Rapids, Michigan.

On October 14, 1914, a bank member of Royal Oak, Michigan, reported having been defrauded by a former customer using the name of C. BAILEY. This party formerly had an account with this bank member and also with a non-member bank in Birmingham, Michigan.

On August 26th, he called at a member bank at Royal Oak, Michigan, and being known and believing that his account at the Birmingham Bank was all right, they cashed three checks for him amounting to \$433.00, which were returned protested, and he departed for parts unknown immediately after.

It was reported that he had gone to Salisbury, Md. C. Bailey is described as follows: Age, 45 years; height, 5 feet 8 inches; weight, 150 lbs.; build, medium; complexion, sallow; eyes, black; hair, dark; slow of speech and has southern accent.



HARRY EVERETT AUSBORN.

We reproduce above the photograph of a party named HARRY EVERETT AUSBORN alias James W. Kelly, who attempted to swindle a member bank at Farmington, Minn., by means of a forged check. Ausborn is described as follows: Age, 22 years; height, 5 feet 11 inches; weight, 152 lbs.; complexion, dark ruddy; hair, black pompadour; eyebrows, dark. A specimen of his handwriting is shown below.

*Fagnau.  
Minn.*

D. E. WILLIAMS, described as 32 years, 5 feet 7 inches, 140-145 lbs., medium complexion, smooth face, wearing nose glasses, entered a member bank at St. Paul, Minn., and endeavored to have a draft drawn on a Forsythe, Montana member bank cashed. The draft was pronounced a forgery, but Williams had made his escape, before he could be apprehended. Below is a specimen of his handwriting. The draft in question bore the o. k. of a depositor of the St. Paul bank.

*D.E. Williams*

JACK RYAN presented a forged check at a saloon in Ortonville, Minnesota, the saloon cashing the check at a member bank in Ortonville, the bank member being losers to the amount of the check. Jack Ryan is described as follows: Age, 33 years; height 5 feet 11 inches; weight, 130 lbs.; slender build; dark complexion; dark hair. Two knuckles on right hand knocked down.

EDWARD SHURTZ, alias Norman Farrel recently defrauded a member bank at St. Paul, Minn., as well as depositors of the bank, by means of worthless checks. This individual is described as 45 years of age, 5 feet 8 or 9 inches, 165 or 170 lbs., gray hair, smooth shaven.

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A man using the name of D. W. GALVIN succeeded in defrauding a member bank at Canton, Mississippi, during September, 1914, by means of a worthless draft.

Galvin was recently employed by the Mosler Safe and Lock Company at Hamilton, Ohio, and upon being discharged proceeded to use their name in his endeavors to obtain money on his checks. He is of the following description: Height, 5 feet 9 inches; weight, 135 to 140 lbs.; hair, red brown; red brown mustache; eyes, brown.

LAWRENCE COMERFORD who until recently was in Corpus Christi, Texas, where he was connected as Secretary and Manager of the Bluff City Supply Company, came to Kansas City on October 9th, and called on a depositor of a membership bank here. This depositor had been in correspondence with Comerford and had also met him on a previous occasion, at which time Comerford arranged to dispose of some real estate for the depositor.

Mr. Comerford stated that he was running short of money and had this depositor accompany him to the bank, where Comerford was introduced, and where a check in the sum of \$100.00 was cashed for him, drawn on a membership bank in Houston, Texas. The following morning Comerford again appeared at the bank, and on the strength of the introduction the day before, cashed another check, drawn on the bank at Houston in the sum of \$100.00. The bank became suspicious and wired to know if the checks were good, and received a reply that this swindler carried no account at the Houston bank.

Our detective agents are endeavoring to locate Comerford at the present time. He is described as follows: Age, 30 years; weight, 140 lbs.; height, 5 feet 4 inches; smooth shaven; complexion, reddish; hair, dark; eyes, gray.

Membership banks are warned to be on the lookout for a man using the name H. J. HURD, who for some time past has been issuing checks on a membership bank of St. Louis, Missouri, and passing same on merchants throughout Oklahoma and southern California.

These checks are made out on the blank counter check of some bank, the name of which is deleted and the name of the St. Louis member substituted. In every instance the checks are for \$12.00 and are cashed with some merchant or individual. This criminal was last heard of in San Bernardino, California. So far no membership bank has lost through this criminal's operations.

A membership bank of St. Louis, Mo., reports that on Saturday, October 10th, 1914, a man came into their bank and made out a sight draft on the Second National Bank of Jonesboro, Ark., for \$500.00 and signed same F. C. GATHRIGHT, stating that he wished to open an account with the bank in the name of his wife, Mrs. Lydia Gathright, whom he claimed lived at 3902 Lindell Bl.

The membership bank upon consulting the bankers' guide saw that there was no Second National Bank, Jonesboro, Ark., and the entire matter, appearing irregular, the bank reported same to the St. Louis Office of our Detective Agents, who investigated the matter and developed that there was no Second National Bank at Jonesboro, Ark., and that Gathright was no doubt attempting to defraud the membership bank, and that Gathright is none other than HENRY MARTIN THORNTON alias W. F. Hampton, alias N. Gathright, alias J. B. Boland, alias W. T. King, alias John Randolph, alias Henry Courtney, alias Hugh Shirby, alias St. George Meredith, alias Hugh S. Whyndham, alias Tucker, alias Wyndham Kemp, Jr., mention of whom is made in JOURNAL-BULLETINS for September, 1913, page 226; July, 1913, page 47 and May, 1913, page 768, in which issue a photograph of Thornton is produced, and also November, 1912, page 316.

Thornton is a clever swindler and members are warned to be on the lookout for him, and although he did not defraud the membership bank at St. Louis, it will be noted that he has again resumed operations.



F. T. WILFLEY.

The above is a photograph of FRANK T. WILFLEY, alias Melvin Shepherd, who has defrauded bank members in Cascade, Montana, and St. Louis, Missouri, by means of forgery. A warrant is existent at Cascade, Montana, for his arrest. This criminal has also defrauded several hotel keepers in Oregon by forged checks.

Frank T. Wilfley, is described as follows: Age, 23 years; height, 5 feet 7 1/4 inches; weight, 130 lbs.; build, medium; hair, light brown; eyes, slate blue; complexion, light.

The checks this forger has so far succeeded in cashing were drawn on the Medford National Bank, Medford, Oregon, to which he forged the signature of his father J. M. Wilfley. This young man has had ample opportunity to reform, but shows a tendency to loaf about pool halls, and gain his livelihood by cashing forged checks.

The Oregon Bankers' Association is co-operating with this Association in this matter.

There is an article concerning this operator on page 228 of the October, 1914, JOURNAL-BULLETIN.



JACK WALTERS.

JACK WALTERS is being sought by our detective agents for passing several forged checks in Hastings, Nebraska. Walters worked as a farmhand near Hastings and after leaving this service, wrote

several checks to which he forged the name of his previous employer.

He is described as follows: Age, 27 years; height, 5 feet 11 inches; weight, 170 lbs.; eyes, light; out of line; complexion, fair; hair, light; build, good; lower teeth protrude.

On September 26, 1914, our detective agents were requested by a member bank at Newark, N. J., to have a representative call upon them for the purposes of investigating a matter which they held in hand.

The request was immediately complied with and our detective representative was handed a check which was made payable to bearer and signed by the American Oil and Supply Company of Newark, N. J. This check was endorsed by a J. SIMSON who had called at the bank and after presenting the check, requested that he receive its amount in five dollar bills. The bank teller thought it quite odd that the American Oil and Supply Company should make out a check payable to bearer and to satisfy himself he decided to phone this Company.

While doing so the party at the window disappeared. Later it was learned that this check was originally made payable to the order of Gebhardt & Company of New York City. An investigation by our detective representatives developed the fact that this check was stolen from the letter box of Gebhardt & Company and was very skillfully changed to read payable to "bearer."

In New York especially these letter-box thieves have indeed been exceedingly active in the past few months and we warn members that any check presented which has the slightest sign of having been tampered with or that in anyway places doubt in your minds as to its genuineness, same should receive the very best of your attention before you have thoroughly satisfied yourself and given out the cash it calls for.

The party who presented the check in the above mentioned case and who gave the name of J. Simson is described as follows: Age, 30 to 35 years; height, 6 feet; weight, 180 lbs.; hair, black; eyes, black; complexion, dark brown as though sunburned or tanned; build, large frame; smooth shaven; dark eyebrows; large mouth. He wore in his tie an odd looking stickpin.

On September 22nd, a membership bank at Albion, N. Y., reported that they had been victimized by cashing a forged check for \$12.50.

Our Detective Agents were immediately notified and in a subsequent investigation, learned that one JOSEPH BROWN, alias George Brown, recently employed as a driver for an Ice Company at Albion, N. Y., had stolen three checks from his employer's check-book, forging his employer's name to same and succeeded in cashing the checks, one of which was paid by a membership bank.

Immediately after cashing the checks, Brown disappeared and his present whereabouts are unknown. An effort, however, is being made to locate him.

His description is as follows: Age, 25 years; height, 5 feet 8½ inches; weight, 180 lbs.; complexion, light; hair, light brown, inclined to be heavy and curly; eyes, dark; pleasant disposition, very polite and good talker.

On September 24th, a membership bank at Buffalo, N. Y., reported to our Detective Agents that an attempt had been made by a young man, age about 20 years, 5 feet 5 inches in height, weight, 125 lbs.; light complexion, to cash a forged check for \$50.00.

Upon the presentation of the check, the teller refused to pay same and before an investigation could be made, this swindler left the bank.

He gave the name of H. W. WILLIAMS and had forged the signature of one W. D. Olmsted.

On October 1st, a membership bank at Buffalo, N. Y., reported to our Detective Agents that an at-

tempt had been made by a young man: Age, about 20 years; height, 5 feet 5 inches; weight, 125 lbs.; light complexion; to cash a forged check, amounting to \$20.00.

Upon immediately investigating this, it was found that the young man, being questioned by the teller, had left the bank before he could be apprehended. It was also learned that he had secured the signatures of some of the customers of the bank by means of soliciting for bogus magazines.

Our Detective Agents are now endeavoring to apprehend this swindler. This swindler uses the names of GEORGE C. BLACKWELL and R. P. Solder.

Members are warned to be on the lookout for this swindler.

During October, 1914, a man giving the name of CLYDE F. BAXTER succeeded in passing out in New York State worthless checks drawn upon a member bank at Utica, N. Y. Warrants were sworn out for his arrest at that place and shortly thereafter he was apprehended at Utica and paroled in the custody of his counsel.

He then jumped his bail and went on to New York City, where he again resumed his operations. Baxter poses as a Secret Service Agent and to emphasize this fact, he displays a badge of the Secret Service at Washington. It is believed that his arrest will soon be brought about.

We reproduce below a specimen of this operator's handwriting.

On September 18th, 1914, a man using the name of E. E. HENRY opened an account with a member bank at Statesville, N. C., depositing twenty dollars in cash. Later, and while the regular teller was absent from the window, Henry deposited a forged certified check for \$115.00 drawn on a Johnson City, Tennessee, bank, requesting that \$50.00 be deposited to his account and the balance paid him in cash, which was done. Henry is described as follows: Age, 27 years; height, 5 feet 9 inches; weight, 140 to 145 lbs.; light complexion; blonde hair; medium build; stylish blue suit; dark blue hat with lighter band; well dressed.

On October 1, 1914, a bank member at Lenoir City advised that they had been defrauded by means of a bogus check by a party using the name of E. E. GROVES. The fact was later established that E. E. Groves and E. E. Henry are one and the same man.

A warrant is in the hands of authorities at Devils Lake, North Dakota, for the arrest of E. H. FREEMAN who is wanted by a member bank at that point, which was defrauded by means of a forged endorsement. Freeman is about 30 years of age, 5 feet 4 inches, 135 lbs., medium complexion, slender build, formerly a typewriter salesman. The North Dakota Bankers Association is co-operating with this Association in this investigation.

On October 5th, 1914, a young man giving the name of R. G. FIELD, called upon a member bank at East Liverpool, Ohio, and opened an account by depositing a sum of money. A check and deposit book was then given him. Later he again came to the bank and deposited a \$150 check on the form of a bank at Columbus, Ohio. This check was dated two days ahead of time, but he informed the teller that would be all right when it reached the Columbus Bank. Fields' withdrawal by check the amount for his original deposit. On October 13th, they re-

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ceived a check drawn by Fields against his account for \$137.55. On this same day a notice was also received from Columbus that the \$150 check was worthless. The warning came too late, as the bank member at East Liverpool, Ohio, had already paid the \$137.55 check. A warrant has been sworn out for this man and the matter is now in the hands of our detective agents.

In September of this year a man using the name W. R. WRIGHT passed a check on a membership bank at Tulsa, Oklahoma, after having forged the name of a depositor to same. Our detective agents are endeavoring to locate this man at the present writing.

Wright is described as being about 35 years old, 5 feet 8 inches tall, weight, 145 lbs.; build, medium; eyes, blue; sandy colored mustache; laborer by occupation. Sample of his handwriting appears below.

(3)  
*W. Wright*

C. WEST, the well-known check forger, who, in the past, has used the names of C. Wood, C. Ware, C. Weston, C. Harris, etc., whose description and specimen of handwriting has been repeatedly shown in the JOURNAL-BULLETIN, succeeded in defrauding a membership bank of Portland, Oregon, by means of a forged draft drawn on a Potlatch, Idaho, bank. West gained the confidence of the paying teller, by calling him by name, and stating that he had been introduced to him by one of the officers of the bank some months previous. During the past month a member bank at Grand Forks, N. D., was also defrauded by this man.

The Oregon Bankers' Association is co-operating with this Association, in this matter.

A man named JOHN McDUFFY went to work for a farmer in Summit County, Ohio. He never met any friends, had very little to say to anyone, and after working two weeks he forged the name of his employer to a check made payable to John Markman. He was identified at a member bank by a barber, and defrauded the bank of \$87.00. He left the County and has not been heard from since.

He is described as follows: Age, 33; height, 5 feet 5 inches; weight, 140 lbs.; complexion, light; hair, reddish brown; eyes, light; smooth shaven; very small hands and feet; walks very erect.

Early in October a complaint was received by the Pittsburgh Office of our detective agents from a membership bank in Du Bois, Pa., that a loss was suffered through payment of a raised check. An investigation was immediately started by our detective agents and which is still in progress with a view of locating and causing the arrest of the offender. The facts in the case are that the bank's customer mailed to New York City an order for certain merchandise, with which he enclosed his check. The order and check apparently never were delivered to the firm for whom they were intended. Four or five days later the check was presented to the bank in Du Bois by a stranger, raised to read for a much larger amount than it was originally drawn. The bank's customer upon being advised that a check of this certain amount had been paid, showed the amount for which he originally drew the check. Examination of the check shows that the date, amount and name of payee were carefully removed with acids or chemicals and a new date, amount and name of payee placed thereon. Mail box thieves in New York City are believed by our detective agents to be responsible for the theft of this letter, probably after its delivery to the concern to which it was addressed. Every effort

is being made to cause the arrest of the offender. The man who presented the check used the name HORACE SPYSER. Spyser is described as follows: Age, 30 years; height, 5 feet 8 inches; weight, 140 lbs.; build, slender; complexion, fair; eyes, not noted; hair, dark; style of beard, smooth shaven; dress, dark suit and dark fedora hat; peculiarities, none noted; appearance, good—talked well. No jewelry or other distinguishing features noted.

Early in October, 1914, complaint was received from a membership bank of Pittsburgh advising that they were defrauded through having cashed a bogus check for a man who gave the name H. A. COLLINS. Collins called at the bank and deposited the check in question. He stated he did not need all the money and that he would leave a portion of it on deposit. Not suspecting his intentions the bank advanced him the major portion of the amount of the check. An investigation is in progress at the present time with a view of causing the arrest of Collins. A specimen of his endorsement is reproduced herewith. Membership banks are warned to be on the lookout for this operator. H. A. Collins is described as follows: Age, 25 years; height, 5 feet 4 inches; weight, 135 lbs.; hair, light; style of beard, smooth shaven; dress, light suit; wore nose glasses.

*H. A. Collins*

Early in October, 1914, a complaint was received by the Pittsburgh Office of our detective agents from a member of Pittsburgh who conducts a brokerage business that one H. A. UNDERWOOD, after having been discharged from their employ, left Pittsburgh and continued to use the firm's name and on the strength of this succeeded in defrauding various merchants of Indiana, Penna. and vicinity by making purchases on time. Underwood is also believed to have passed several worthless checks. Membership banks are warned to be on the lookout for Underwood, who, while in Indiana posed as being a brother of Congressman and Senator-Elect Oscar Underwood of Alabama. H. A. Underwood is described as follows: Age, 45 years; height, 6 feet 3 or 4 inches; weight, 190 lbs.; hair, light—combed straight back; style of beard, smooth shaven; dress, wore dark suit and derby hat; peculiarities, has a rather long chin and prominent cheek bones. Wears glasses, does not walk real straight and usually smiles when talking.

A bank member at Charleston, Tennessee has been defrauded by means of a forged note perpetrated by one N. B. PANELL alias Nep.

The matter was turned over to our detective agents, who are now endeavoring to cause his apprehension.

N. B. Pannell is described as follows: Age, 29 years; height, 5 feet 9 inches; weight, 145 lbs.; eyes, brown; hair, brown; complexion, fair; occupation, salesman.

A bank member of Salt Lake City, Utah, was defrauded by means of forged endorsements on checks amounting to \$350.00. The checks were issued by a firm in New York to their traveling representative F. WERNER.

Through a mistake the letter containing these checks was delivered to F. Werner, a painter and decorator in Salt Lake City who called at the bank and represented himself as being the F. Werner to whom the letter was addressed and succeeded in having the checks cashed. Werner is a painter and decorator and formerly resided in Los Angeles, Calif., he has also lived in Chicago, Ill., and is supposed to have relatives there. He is described as follows: Age, 24 years; height, 5 feet 7 inches; weight, 150

lbs.; build, medium; eyes, blue; hair, light blonde; smooth shaven; complexion, fair.

A bank member in Salt Lake City, Utah, was recently defrauded by THOMAS TAUKKER alias T. Tucker by forged checks amounting to \$317.00. The checks were made payable to T. Tucker and signed by P. Anderson a local tailor by whom Tucker was employed.

Anderson was a customer of the bank in question and it was his personal checks which were negotiated. Tucker is described as follows: Age, 24 years; height, 5 feet 6 inches; weight, 150 lbs.; build, medium; hair, black; eyes, brown; smooth shaven; complexion, dark. Is a Russian Finn and speaks broken English.



I. LEGUM.

Above we reproduce the photograph of I. LEGUM. A member bank at Portsmouth, Va., was recently defrauded by means of checks to which this party had forged the endorsements. Legum is described as follows: Height, 5 feet 7 inches; eyes, black; hair, black; weight, about 140 lbs.; he is of Hebrew nationality.

In the early part of September of this year a party worked a clever swindle on a membership bank in the State of Washington.

He came to the bank and asked if a cable transfer had been credited to his account. He was informed there was not. He called again several days later and showed a cable from a man supposed to be his father saying that he would not make remittance as requested. Later he came back to the bank with another cablegram from London, England, also supposed to be from his father, stating that £200 had been remitted through New York.

The bank advanced him \$50.00 on this telegram and later when they received a telegram from a New York bank to credit this party with \$500.00 they advanced him the balance. It turned out later that his telegrams were fake.

This party went by the name of CLAUDE ELLIS SCOTT and is described as follows: Age, 30 years; height, 5 feet 7 or 8 inches; weight, between 135 and 140 lbs.; build, slender; complexion, fair; eyes, gray or hazel; hair, black, curly; beard, smooth shaven; dress, dark suit and soft black hat; peculiarities, long prominent nose, looks like drug fiend, large ears, stand out prominently, eye shifts, peaked face, talks with English accent, well educated; occupation, clerk; nationality, English.

Members should be on their guard against a party who uses the name of B. H. HIBBARD alias Ben Hibbard.

He has succeeded recently in passing out forged checks at Randle, Washington.

He is described as follows: Short stature, fairly broad-shouldered, blue eyes, light hair. He is about 5 feet and 1 or 2 inches in height, and is considered good-looking.

We reproduce below a specimen of his handwriting.

*B. H. Hibbard*

A member bank of Milwaukee, Wis., reported the receipt of a fraudulent check drawn by a savings account depositor, who had opened an account by depositing One Dollar, and after having received a pass book, the amount was raised to \$410.00. He had undertaken to defraud a member bank at East Chicago, Ind., by depositing with them his pass book and presenting an Eighty-five Dollar check on which he secured Twenty Dollars. He gave the name of JOSEPH NACANEK and is described as follows: Age 30; height, 5 feet 6 inches; weight, 140 to 150 lbs.; build, medium heavy; complexion, dark; eyes, dark; hair, black; smooth shaven; nationality, Polish; occupation, laborer.

Immediately upon securing the twenty dollars he left for parts unknown. Our detective agents are now undertaking to locate this party.

#### GENERAL.

A very unique and profitable mode of operation has recently come to light in Chicago, wherein the criminal operator on Saturday evenings at about the closing hour walks into the office of some reputable store, hatless and in his shirt sleeves, representing himself to be from the firm directly across the street, using the foreman's name and stating that this foreman or manager had sent him over to see if they would please cash a small check as he had a few little unexpected bills for which he needed the ready cash and had run out of money. Being advised that they would be glad to accommodate the firm across the way, the man leaves and in a few minutes returns with a check properly made out. He is accommodated and has been watched, seen to recross the street to the building from which he claims to have come.

While it is not known that any bank has suffered a loss by the action of this swindler, yet members should be on the lookout for him. It is known that a person of this character has operated in several cities defrauding merchants, business firms and saloonkeepers. He is described as being about 38 to 40 years old; height, 6 feet; weight, 185 pounds; eyes, large brown; complexion, medium fair. Has small mustache, peculiar mouth, gold teeth in front; walks with long step, pigeon-toed, neatly dressed; uses the name of T. D. COULSON.

Member banks are warned against the operations of a party issuing checks drawn by the Hayward Packing & Cold Storage Company, Hayward, California, on the National Bank of Hayward, it being understood that about \$3,000 worth of these checks were issued at the same time. On investigation it was ascertained that the firm issuing such checks is non-existent as well as the bank.

On October 1st, our detective agents were notified by a membership Bank that they were receiving worthless checks from Wilmington, Delaware and vicinity, drawn on their Bank by a former depositor and on this date they were in receipt of a telegram from the Vaughan Seed Store, Chicago, Illinois, requesting to know whether a check for \$365, signed by John Armitage, was good.

At a subsequent investigation, immediately made, it was learned that no Bank member had lost through this swindler's dealings. We, however, learned that JOHN ARMITAGE, a landscape gardener and janitor had eloped from Buffalo with a married woman on

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September 19th and had passed worthless checks in New Jersey, Wilmington, Delaware and Chicago, Illinois.

Upon leaving Chicago, Illinois, he passed through St. Paul, Minn.; Winnipeg, Manitoba; Edmonton, Calgary, Alberta and Vancouver, British Columbia. He has left a trail of worthless checks ranging in amounts from \$10 to \$3,020. In nearly all cases, he passes these checks at banks and endeavors to secure funds on same for small amounts.

Warrants have been issued in Wilmington, Delaware for fraud and in Buffalo, N. Y., for wife abandonment, this swindler having left his wife and child in this city.

Western Bank members are particularly warned to be on the lookout for this swindler. He has an international record, having been imprisoned in England on five or six different occasions for obtaining goods on false pretenses and issuing worthless checks. His description is as follows: Age, 36 years; height, 5 feet 9 $\frac{1}{2}$  inches; weight, 160 pounds; hair, dark brown, turning gray; eyes, blue, often wears glasses; teeth, large and strong looking, displays prominent gold tooth when laughing; peculiarities, strong English accent.

He has a slight scar on right forefinger; small scar on one side of face; very deep cleft in chin.

This criminal, whose right name is JESSE CAMBRIDGE, uses the aliases John Armitage and John Cook and usually signs his name with the letters, F. R. H. S., indicating that he is a member of the Fellow Royal Horticultural Society of England.

During the early part of September a man called at a boarding house in Syracuse, N. Y. He claimed that he was connected with a contracting firm and he wanted to make the arrangements necessary to have five of his men stop at this house.

In the course of the conversation, he presented the housekeeper with a check on the form of the National Bank of Port Jarvis, Port Jarvis, N. Y., made payable to HOWARD H. BAKER in the sum of thirty dollars.

The party receiving this check went to the bank to have it cashed but was informed there that it would first have to be certified. The check was shortly afterwards returned from the bank at Syracuse, N. Y., with the notation "no account." The boarding housekeeper could give no other description of Baker than that he was a short man and wore a black, stubby mustache.

Shortly after this occurrence another check was passed at Port Jarvis evidently by the same party but in this case he had used the name of Howard H. Evans.

A man operating in New York, Nebraska, Kansas City, Mo., and St. Joseph, Mo., under the name of H. W. FIELD, was arrested in Kansas City by a Baltimore Hotel detective, on October 8th. This man passed himself as being in the insurance business and seemed to have no difficulty in convincing the proprietors of different hotels that his checks were all right. He was returned to St. Joseph, Mo., for trial and it developed that he is none other than Warwick W. Maddison, an old offender, who has served time in the Louisiana State Penitentiary for forgery.

A depositor of a member bank at Constantine, Mich., cashed a check for a party by the name of CHAS. BONEBRIGHT. This check was later proven to be a forgery. Boneright is described as follows: Age, 28 years; height, 5 feet 8 inches; weight, 150 pounds; light complexion and brown hair. Sample of this operator's handwriting is shown below.

Chas. Bonebright

On or about October 19, 1914, a check was given for deposit at a member bank at New York City. This check was on a blank form which is on sale at almost all stationers and the name of the Hanover National Bank, New York City, was filled in. This check was signed "E. J. BOYD" and was returned from the Hanover National Bank marked "no account." Below we reproduce a specimen of the handwriting appearing on this check.

E. J. Boyd

A party representing himself to be G. P. BROWN of Leslie, Georgia, cashed a worthless check at a mercantile firm at Sanford, Florida, drawn on a membership bank at Leslie, Georgia, which was returned by the bank with the information that Brown had no account with the bank; that he had been forced to leave Leslie; and that since leaving, he had drawn numerous worthless checks against the bank.

G. P. Brown is described as follows: Height, 5 feet 11 inches; weight, 140 pounds; hair, sandy; smooth shaven; gray eyes; wore shoe size 7 $\frac{1}{2}$ .

Parties by the names J. M. BROWN and WILLIAM J. PETERMAN who are supposed to come from New York City, went into the town of Florida, N. Y., and succeeded in buying six carloads of onions from two depositors of a bank member at that place. They tendered for this purchase, three drafts drawn by William J. Peterman on J. M. Brown. These drafts were on a bank at New York City. They were sent to the New York bank for collection and each was protested for non-payment.

These men used the name of "WILLIAM CULBER COMPANY," Newark, N. J., as the destination of the onions. As William Culber is known at Florida, N. Y., there was little trouble in getting the parties to accept these drafts in payment of the onions. We reproduce below a sample of the handwriting which appeared upon the drafts in question.

William J. Peterman  
J. M. Brown

St. Paul, Minn., merchants have been defrauded recently through the operations of a young man named MERRIL BURNHAM, who presented worthless checks made payable to himself. Burnham is 19 years of age; 5 feet 4 inches high; weighs, 135 pounds; medium complexion, greenish gray eyes, sandy hair; lame in right leg, same being withered the full length.

Recently a man using the name H. M. CARLTON or Harry Carlton forged the name of a depositor of a member bank at Roswell, N. Mex., to several checks which were cashed outside of the bank. A warrant has been sworn out at Roswell for this man's arrest. He is described as follows: Height, 5 feet 9 inches; weight, 135 pounds; is of slender build, sallow complexion, blond hair, blue-gray eyes and sharp nose and features. No bank lost through this man's transactions.

Bogus checks were cashed by depositors of a bank at Big Rapids, Mich., during the month of October. These checks were made payable to a GEORGE CLARK, alias Joshua Clark, who is of the following description: Age, about 45 years; height, 5 feet 8 inches; heavy set; Irish nationality; sandy mustache and complexion; is of rough appearance; walks with a long step and wears hat over eyes. His face is usually flushed.

A check payable to the order of E. Martin on the form of the First National Bank of Commerce, Hattiesburg, Mississippi, and signed by HOWARD E. DUNCAN, was deposited with a bank member at New York City during September, 1914. Shortly thereafter it was returned from the bank at Mississippi with a notation of "no account." A sample of the handwriting appearing upon this check is as follows:

*Howard E. Duncan.*

On October 17, 1914, a draft was returned to a member bank at Caro, Michigan, by a bank at Detroit, Michigan, with a notation that the party to whom this draft was chargeable could not be found.

The party who had endorsed the draft was then interviewed, and he stated that when he placed his signature upon same it stood in the sum of \$10. The draft was later raised to read \$410.

HOWARD EVANS, whose signature appears upon the face of this draft is described as follows: Age, 28 years; height, 5 feet 8 inches; weight, 5 feet 8 inches; hair, heavy, dark; eyes, brown; build, medium stocky. No bank lost through this transaction.

A specimen of the handwriting of Howard Evans appears below.

*Howard Evans*

A man giving the name ALBERT GREENBURG, recently cashed a check at a hotel in Montpelier, Vt. This party represented himself to be a salesman for the Silver and Weinberg Shirt Company, whose home office is in the City of New York. The check in question was signed Silver and Weinberg, made payable to Albert Greenburg and was drawn on a bank at New York, N. Y. The check went forward and was refused by the bank upon which it was drawn for the reason that they had no account in that name. It was later learned that Greenburg had committed a similar operation at Danbury, Conn. No bank lost through this operation.

HARRY W. GUIRL, alias A. H. Stewart, alias F. W. Cameron, alias H. A. Wilson, alias W. C. Alexander, alias Roy Wilson, alias R. A. Gilmore, and a score of other alias names, and who was arrested in San Francisco, Cal., August 22, 1914, and returned to Eau Claire, Wis., has been sentenced to a term of seven years in the Wisconsin State Prison at Waupun, Wis. Mention of this criminal has been made in the A. B. A. JOURNAL-BULLETIN for March, 1913, page 600 and August, 1914, pages 110 and 115.

A non-member bank at Lewisburg, Pennsylvania, under date of September 30, 1914, send out the following information. On September 23d, a young man about 20 years of age; dark complexion; weight, 135 to 150 pounds; 5 feet 7 or 8 inches tall, presented a check signed W. A. HEINEN, and drawn on the Milton Trust and Safe Deposit Company of Milton, Pa. He represented himself to be Bruce Ranck of New Columbia and a student of Bucknell University. Later he presented a check on the form of the

Farmers Bank, Selina Grove, Pennsylvania. In this instance he used the name Alfred Groover.

Member banks should be on their guard against this operator.

A check upon a bank member at New Britain, Connecticut, payable to cash and signed T. H. HENRY was given to a depositor of the above mentioned bank.

When presented at the bank, the depositor learned that they had no account in the name of T. H. Henry. The depositor who lost in the transaction describes T. H. Henry as follows: Age, 55 years; height, 5 feet 6 inches; weight, 145 pounds; hair, grayish; complexion, florid.

We reproduce below a specimen of this man's handwriting.

*T. H. Henry*

A young man using the name HARRY HILDER succeeded in defrauding a New York merchant who conducts a general dry goods and gent's furnishing store, by means of a forged check. Hilder came into this merchant's store, made a purchase, tendered the check in exchange for same and after pocketing the change, left the store. He is described as follows: Age, 21 years; height, 5 feet 6 inches; weight, 155 pounds; hair, black; eyes, black; smooth shaven, rough face and resembles an Italian.

A merchant at Corning, California, was defrauded recently by means of a forged check drawn on a member bank at San Francisco, California, and passed by one HARRY JENKYN, alias Hibbard. With the assistance of Sheriff Boyd of Tehama County, California, our detective agents learned of this man's actions and caused his arrest on October 9, 1914, at San Francisco, a few hours after the case was reported to them. A sample of Jenkyns' handwriting is shown below.

*Harry Jenkyns*

A young man named ALDRICK A. JOHNSON succeeded in passing several forged checks on a member bank in Minneapolis, Minn.

Johnson formerly was a clerk in a bank at Fargo, N. D., but was dismissed because of a quarrelsome temperament. No bank lost through his recent transactions.

Johnson is of the following description: Age, 22 to 24 years; height, 5 feet 11 inches; weight, 165 pounds; build, slender; hair, light; complexion, cloudy; thin features.

Reproduced below is a specimen of his handwriting.

*Aldrick Johnson*

On October 5, 1914, cash was obtained by ALEX KUBIAC, from a depositor of a member bank at Bay City, Mich., or a stolen check to which the endorsement were forged. Kubiac is said to be a slender young man having weak eyes and shows a nervous

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tendency when in conversation. It is stated that this party has other charges held against him at Bay City.

Under the name FRED W. LAMON, a man registered at the San Francis Hotel, San Francisco, California, during the first week of August, 1914. He remained there for two days and as far as is known, was not seen in San Francisco thereafter.

While stopping at the St. Francis, he asked for bids on a building for the San Domingo Government and directed the contractors to send their bids together with a certified check for 10 per cent. to Richard B. Whitlock, 222 West 23d Street, Chelsea Hotel, New York City.

Lamon claimed that he was an agent for Whitlock and that he, Whitlock, was representing the San Domingo Government. It is believed that Lamon and RICHARD B. WHITLOCK are one and the same man. Certified checks were sent to Whitlock and he proceeded to obtain money on them before it was learned that he did not represent any government and that his transactions were fraudulent ones.

Warrants have been sworn out in San Francisco for the arrests of Whitlock and Lamon for using the mails to defraud. There have been no attempts made by these parties to swindle any banks.

On September 30, 1914, one CHARLES MCINTYRE was arrested at Kirkwood, Mo., as he attempted to pass a worthless check for \$17.50 on a saloon keeper. The check was drawn on a membership bank of St. Louis, Mo., and signed Stewart Presto Company, per Stewart. This criminal also passed several similar checks on merchants at Clayton and Maplewood, Mo., but after being arrested claimed that he was the tool of others and did not know that the checks were worthless. He is now being held at Clayton for the Grand Jury, in default of \$1,500 bond.

McIntyre is described as follows: 35 years old; 5 feet 8 inches tall; weight, 145 or 146 pounds; medium build; sandy complexion; blue eyes; red curly hair; smooth shaven; Irish-American.

HARRY MEYERS, described as follows: Age, 40 years; height, 5 feet 6 inches; weight, 145 pounds; complexion, light; hair, light; Roman nose; left wrist a little stiff; smooth shaven, recently passed a forged check on a non-member bank at Woodbine, Kansas. Meyers was employed as a harvest hand near Woodbine and on quitting this service was given a check for his work. He immediately made another check and forged the employer's name to it.

On October 15, 1914, a member bank at Alton, Illinois, advised our detective agents at St. Louis, Mo., of the operations of a party by the name of J. P. MOLUMBY. This man formerly was a depositor of this member bank. He overdrew his account, but regardless of this fact continued to pass out checks to individuals of St. Louis. He still has in his possession his pass and check books. No bank to date has lost through his transactions.

On September 25, 1914, a non-member bank at Seattle, Wash., advised that a young man had come into their bank and introduced himself as CARL G. MORSE, a student of the Washington State University located nearby.

He informed the bank that he had an account at the Scandinavian-American Savings Bank, Astoria, Oregon. He claimed that his balance in this bank was \$72, and as he needed some money to defray his living expenses, he requested that he be allowed to make a draft on the Astoria Bank for the balance of his account there.

He was informed that his check would be accepted for collection, and after it had been filled out and signed the young man requested that \$5 be advanced him pending the collection of the check. This amount was given him.

The check was forwarded to the Scandinavian-

American Bank at Astoria, and in due time the bank at Seattle received notice of protest with the notation that that was the third check signed by Morse which they had received in the past few days.

This party is described as follows: Age, 20 to 21 years; height, 6 feet; weight, 140 pounds; build, slender; complexion, light; hair, light brown; appearance, well-dressed; light suit, light soft hat.

A specimen of his handwriting is reproduced below.

*Carley Morse*

A party using the names JOHN B. O'BRIINE and Morgan recently defrauded two saloon keepers of St. Louis, Missouri, by means of worthless checks, which were drawn on a membership bank of St. Louis and made payable to F. Morgan and signed by John B. O'Brine, to the amount of \$6.50 and in the lower left hand corner was written "contracting and building."

GEORGE PARKER is the name used by a man who in September presented a draft at a membership bank at Webb City, Mo., this draft being drawn on a bank in Eureka, Utah, in the sum of \$1,500. The draft was accepted for collection and receipt given for same, and on the strength of this receipt Parker endeavored to swindle several business houses in Webb City and Joplin. He was arrested in Joplin and returned to Webb City, where he is being held awaiting trial.

This man is described as follows: Age, 40 years; height, 5 feet 10 inches; weight, 170 pounds; build, medium; dark eyes, dark mustache. Oil driller by occupation. Anyone being able to furnish information regarding this man should report the same to the nearest office of our detective agents.

Parker was accompanied by a man using the name T. C. McFARLAND, who is described as follows: Age, 35 years; height, 5 feet 8 inches; weight, 160 pounds; complexion, light; blue eyes.

A. C. RICKEY is wanted at Plainville, Kansas, by a non-membership bank for passing worthless drafts at that place.

Rickey is supposed to be in the insurance business, but as yet we have secured no description of him.

Early in September a man using the name J. L. SANDERS, went to Glasgow, Ky., rented a house and dwelling, claiming that he was going to establish a glove and overall factory. He also deposited at one of the Glasgow banks a draft on a Chattanooga, Tenn., bank for \$2,787, at which time he was told that no checks would be honored against this deposit until the draft was paid. In spite of this, however, he succeeded in getting checks cashed by merchants and left the town before word was received from the Chattanooga bank that he had no account with them.

Sanders is described as being about 5 feet 8 or 9 inches tall; weight, about 165 pounds; heavy dark set beard, though supposed to be smooth shaven; dark complexion; small blue eyes; dark hair; heavy eyebrows.

A non-member bank of Rose Hill, Kansas, advises that they have been defrauded by means of raised checks, issued by parties using the names CHARLEY SMITH and STEVEN MORGAN, alias S. E. Morgan.

Smith is described as follows: Age, 18 to 20 years; height, 5 feet 6 1/2 inches; height, 135 pounds; eyes, blue; complexion, light; small round face, long slim fingers and hands.

Morgan is described as being: Age, 18 to 20 years; height, 5 feet 4 to 5 inches; eyes, brown; complexion, dark; face, round and full; build, heavy set; claimed to be married and received letters from wife at La Junta, Colorado.

We must again warn bank members to be on their guard against the operations of J. C. TALBOTT, alias D. J. Lawson, alias R. Lawlor, alias C. L. Smith, alias W. W. Gordon, alias N. C. Morgan, alias G. S. Rawlers, who is active again passing out his bogus checks.

This man has recently posed as a traveling salesman for Graves-Manning Manufacturing Company, Newark, Ohio, and is having checks drawn by that firm by D. C. Graves, Treasurer or Manager. This firm is a fictitious one as are also the banks upon which these checks are drawn.

This operator's description, mode of operation and handwriting have been shown in the following JOURNAL-BULLETINS: August, 1912, page 111; June, 1913, page 835; May, 1914, page 770; June, 1914, page 830; July, 1914, page 43.

#### ARRESTED.

On October 2, 1914, an attempt was made to hold up the Gilford State Bank, Gilford, Montana, by a party who afterwards gave his name as NELS ANDERSON. The Cashier of the bank, Mr. D. A. Crites, was master of the situation and before many seconds had passed, the hold-up man was gazing into the mouth of the Cashier's six-shooter. The arrest followed. A description of Nels Anderson is here given: Norwegian, age, about 25 years; height, 5 feet 7 inches; weight, about 150 pounds; slight build, stoop shouldered and is clean shaven.

LOUIS BISHOP, alias "Slim," alias "Frank," whom our detective agents have been making an effort to apprehend since June 30, 1914, for stealing a check from an employee of a depositor of a member bank of San Francisco and defrauding a member bank through means of forged endorsement to the check, was arrested by the local police department of San Francisco on October 2, 1914. He confessed to the crimes of robbery and forgery, was given a preliminary hearing and held over to the Superior Court for trial. See JOURNAL-BULLETIN of August, 1914, page 108.

The California Bankers' Association is co-operating with this Association in this case.

A young man whose name is DAN BURNS, recently defrauded a bank member in the City of Chicago, by forging the name of his former employer to the endorsement on a check which he had found, after which he immediately left Chicago and was trailed by our detective agents to Indianapolis, through Indiana to St. Louis, Mo., thence back to Chicago, where he was placed under arrest by our detective agents.

A member bank of Chicago, Ill., reported to our detective agents on October 16th, the return of a fraudulent and forged check which was cashed by them for one OSCAR BUSCHMAN and drawn on a member bank of New Salem, North Dakota, Buschman having forged the name of his former employer. The following day he was located and arrested by our detective agents with the assistance of the local Police Department, and confessed to having committed the forgery. On the 19th inst. he was held to await the action of the grand jury under bond of five hundred dollars. It later developed that he is also wanted in North Dakota on a forgery charge, and evidently will be returned there for prosecution after his case is disposed of in Chicago.

The North Dakota Bankers' Association is co-operating with the California Bankers' Association on the North Dakota end.

James H. Cameron, mention of whose operations against a member bank of Galveston, Texas, was made on page 229 of the October, 1914, JOURNAL, was arrested September 22d, in Kansas City, Mo., at the instance of our detective agents.

Cameron confessed and has been returned to Galveston, Texas, where he is now awaiting trial and

sentence. The Texas Bankers' Association is co-operating with this Association in this case.

On Monday, October 12, 1914, one GRACE CONNORS, alias Ada Tawber, alias Ada Tawter, alias Margaret St. John, alias Marie Smith, alias Carrie Lorman was arrested in Detroit, Michigan, for defrauding several bank members of that city and a local hotel. She is wanted and has been identified as the party reported in the September issue of the JOURNAL-BULLETIN, page 227.

On October 8, 1914, a membership bank at Cairo, Illinois, reported to the St. Louis and Chicago offices of our detective agents that their bank had been defrauded by means of a worthless draft given them by one A. W. Craddock and on October 15, 1914, Craddock was located in Chicago, Illinois, by our detective agents and placed under arrest by them with the assistance of the local police.

W. G. CUYLE wanted for defrauding a member bank at Chillicothe, Mo., by means of a raised check, and who is mentioned in the JOURNAL-BULLETIN for October, 1914, page 228, was located by our detective agents at Norwich, New York, at which place he was in jail, being held for trial at that point on a charge of forgery.

On September 27th, a bank member at Salt Lake City, Utah, was held up between 12 and 1 P. M. Our detective representatives, assisted by the police department of Salt Lake City, Utah, arrested GILBERT EDWARDS and secured a positive identification from two of the bank employees who Edwards held up, also evidence was secured which will assure the conviction of Edwards.



OTTO DE LOIS WIPPERMAN.

During the past few months the party whose photograph we reproduce above has been working in Akron, Ohio, Newark, Ohio, Pittsburgh, Pa., Chicago, Ill., St. Paul, Minn., and other cities where he defrauded membership banks with bogus checks under the names WILLIAM B. FARRELL, William Owens, J. J. Underwood, Carl Lieberman, Frank Hitchcock, etc. Our detective agents kept constantly at work with a view of locating and causing the arrest of this criminal. On October 12th, this man was arrested by city detectives in Pittsburgh, while in the act of attempting to pass a bogus check on a merchant of that place. He was identified by our detective agents at Pittsburgh as being the man wanted for defrauding member banks in the various cities named above and which charges he admitted to be true. This criminal stated on one occasion after his arrest that his correct name was Otto De Lois Wipperman, and that he came from Wisconsin,

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but later in court he stated his true name was J. J. Underwood. A specimen of his handwriting is reproduced herewith. He is described as follows: Age, 30 years; height, 5 feet 10 inches; weight, 185 pounds; style of beard, smooth shaven, hair, medium brown, rather curly; complexion, medium; dress, black, soft telescope hat and dark suit.



On October 1st a member bank at Denver, Colorado, opened up an account for a negro representing himself as WESLEY J. FRIERSON. On the afternoon of the same day he deposited a check and afterwards attempted to draw out his entire account. The teller became suspicious and would not permit him to do so.

The negro then left the bank and upon investigation it developed that the check which this man deposited was bogus. The matter was turned over to our detective representatives in Denver, Colorado, who made an investigation and on October 3d Wesley J. Frierson was placed under arrest by the local police, and is now awaiting trial in Denver, Colorado.

This is the same criminal who is mentioned in the JOURNAL-BULLETIN for December, 1913, on page 445, and also in the March issue of 1914, page 643.

Early in October, 1914, a Membership Bank of Pittsburgh, Pa., communicated with the Pittsburgh office of our detective agents requesting that a representative of the agency come immediately to the bank. The bank stated that they believed an attempt was being made to swindle them of a considerable amount of money. The bank's request was complied with promptly, and it was found that a person purporting to be a prominent and wealthy business man of Pittsburgh had sent to the bank with a uniformed messenger boy, a letter requesting that a certain amount of cash be sent with the boy to a Pittsburgh hotel. The bank was suspicious of the signature on the letter and on advice of the representative of our detective agents, the messenger boy was given a "dummy" letter to take to the person who sent him. He was shadowed and in less than fifteen minutes the offender was brought into the bank where he admitted having attempted to defraud the bank by forging to the letter the signature of the bank's customer. This offender's correct name proved to be Willis Geoghegan, of No. 1127 North Highland Avenue, Pittsburgh, Pa. Geoghegan is described as follows: Age, 31 years; height, 5 feet 8 inches; weight, 150 pounds; build, medium; complexion, fair; eyes, gray; hair, brown; style of beard, smooth shaven; dress, wore brown soft hat, dark gray suit, coat and trouser to match, black shoes; appearance, clerk.

On October 11, 1914, a representative of our detective agents assisted by Sheriff Costley of Saint Anthony, Idaho, arrested CARL GILLUM on a charge of forgery committed against a member bank at Milford, Illinois. Gillum agreed to return to Illinois without requisition papers. An article relative to this operator appeared on page 110, JOURNAL-BULLETIN, August, 1914. Carl Gillum is described as follows: Age, 25 years; height, 5 feet 11 inches; weight, 180 pounds; gray eyes; chestnut or brown hair; red nose; florid complexion; smooth shaven. Dagger tattooed on left forearm.

SOLOMON C. GLACKMAN, who used the name of Fay L. Johnson to obtain money on a worthless

check drawn on a member bank at Chicago, Illinois, was arrested in that city on September 23, 1914, and when interviewed at the police station, admitted his guilt. He further admitted that he commenced his bogus check operations in April, 1914. He is described as follows: Age, 19 years; height, 5 feet 6 inches; weight, 140 pounds; medium build; dark complexion; black curly hair; smooth shaven. His handwriting is reproduced below.



On September 25th, a young man who gave his name as WILLIAM GRIFFEN, accompanied by another young man, walked into a bank member in Denver and attempted to grab a bundle of currency inside of the Paying Teller's cage. They were observed and when they were about to make their escape Griffen was placed under arrest by the bank's special officer.

Griffen is described as follows: Age, 19; height, 5 feet 4 inches; weight, 100 pounds; build, slender; hair, brown; eyes, brown; beard, smooth shaven; nativity, New York City, N. Y.; occupation, actor.

ROBERT HEISLER, mention of whom is made in the October, 1914, JOURNAL-BULLETIN, page 227, on September 23, 1914, being badly in need of money and hard pressed by our detective agents, took seven bichloride of mercury tablets and went to police headquarters and gave himself up, from where he was sent to the City Hospital. On October 5, 1914, Heisler was released from the hospital and on October 6, 1914, was returned to Louisville, Ky., where he is now awaiting trial. Heisler had succeeded in defrauding member banks at Louisville, Ky., by means of forged checks.

A man using the name JAMES H. HOAGLAND called upon a jeweler at Newark, N. J., and in return for his purchases made, he presented the jeweler with four checks made upon the form of the Bryant Park Bank, New York, N. Y. The jeweler called at the bank in New York to have these checks certified and it was then learned that Hoagland had no account at this bank and that his checks were bogus ones.

The jewelry which Hoagland had selected was yet to be turned over to him and on the following day he was to call and secure same. The police of Newark were then notified and preparations made to arrest Hoagland when he would come to the jewelers.

At 5 P. M. on September 25, 1914, a woman entered the jeweler's store bearing a note which was signed by Hoagland and requested that the jewelry be turned over to her. She was immediately placed under arrest and taken to police headquarters where she told at what place Hoagland could be found. Shortly afterward Hoagland and another woman accomplice were arrested. The women who gave their names as JESSIE HEILD and ALINE DAVIS BLASS, were each held under \$2,500 bail. James H. Hoagland was held under \$3,000 bail.

Two years ago Hoagland was sentenced in the Court of Special Sessions, Brooklyn, N. Y., to a term at Blackwells Island on the charge of forgery. While at this place he met the women who were now arrested as his accomplices. Hoagland is described as follows: Age, 40 years; height, 5 feet 9 inches; weight, 165 pounds; hair, blonde; mustache, blonde; complexion, light; eyes, blue; occupation, carpet layer.

On October 12, 1914, a membership bank of St. Louis, Mo., reported to the St. Louis office of our

detective agents that they had been defrauded by means of a worthless check for \$25 passed at their bank by a woman named MARGARET KELLY.

A representative of our detective agents took up the investigation and developed that the Kelly woman had been passing numerous checks on merchants in St. Louis, bearing the forged signature of one C. C. Widerman, a personal friend of the Kelly woman.

Further investigation developed that Widerman had on Sunday, October 11, 1914, preferred charges against the Kelly woman and Earl Miller for forgery, and both were arrested on October 11, 1914, and are now awaiting trial.

On September 4th a bank member at Choteau, Montana, was defrauded by means of forged pay checks given by a gang of Austrian swindlers and forgers. Their methods were finding where a contractor was hiring foreign laborers, secure some of his blanks and issue checks to themselves in a very clever forgery. They then go to the nearest town dressed in working clothes, enter a bank or store and attempt to cash these checks.

The number in the gang is so large that it is apt to allay the bankers' cautions.

On October 10th, four of the members of this gang, George Klarch, Kajo Vojvodic, Robert Bobnich, and Tona Frich were arrested by Chief of Police Pontet of Great Falls, Mont. Some of the members of the gang are still at large.

On September 24, 1914, at Stanley, N. D., a representative of the Minneapolis office of our detective agency, charged one CARL LUNDIN, alias Sam Weinstein, with having forged a check on a member bank at East Grand Forks, Minn. Lundin protested his innocence and finally agreed to return to East Grand Forks as the guest of our detective representative, but emphatically stated he would not leave Stanley if he did so under arrest.

On September 26, 1914, at Grand Forks, N. D., he was positively identified as the criminal wanted for forging the above mentioned check. Complying with the request of our detective representative, he appeared in East Grand Forks, Minn., where he was immediately placed under arrest, by the local authorities. He was bound over to the District Court at Crookston and his trial will come up in January of next year.

See JOURNAL-BULLETIN, September, 1914, page 174.

JAMES McGINNES, on account of whose operations against three members of this Association in Houston, Texas, was arrested in Chicago, Ill., October 1st, by the police of that city. He has been returned to Houston, Texas, where he awaits trial.

GEORGE M. MARTIN, the criminal wanted for holding up a membership bank in the State of Washington, was arrested in Portland, Oregon, October 1, 1914. He was taken to Spokane, Washington, for trial and information as to the disposition of his case will be furnished later. The local police made the arrest in this case and our detective agents made the identification.

A member bank of Bath, Pa., reports a raised check from sixteen to ninety-six dollars by one ANDREW MESSINGER. This report was made October 17, 1914. This criminal was traced by our detective representatives to Aurora, Ill., where on October 21st, his arrest was caused on information furnished by them to the local police department of Aurora. Messinger confessed and agreed to return without the formality of requisition papers.

HARRY MOTLEY, alias Earl Motley, alias Earl Early, alias Harry Smith, alias J. B. Edwards and JOHN HOWE, alias M. J. Nash, alias John O'Leary, were arrested in Kansas City, Missouri, October 17th,

by the local police, assisted by our detective agents at that point.

On October 9th, these two men called at a printing establishment in Perry, Oklahoma, and ordered five hundred blank checks purporting to be for John F. O'Leary, General Construction Contractor. These checks were drawn on a membership bank in Kansas City.

Our detective agents learned of this order, which was filled and the checks shipped to Kansas City, Missouri, with the result that the two above swindlers were arrested. They have admitted passing several worthless checks in Kansas City and are at the present time held for investigation.

JOHN POWELLS, a negro was arrested by the local authorities of Pell City, Ala., on September 28, 1914, charged with having burglarized a bank member at Lincoln, Ala. ALEX KING was also arrested with Powells as an accomplice. Powells is described as follows: Native, Alabama; race, negro; age, about 28 years; height, 5 feet 8 inches; weight, 140 pounds; small black mustache; neat and dresses well.

LEO RAMSEY, mention of whom is made in the October, 1914, JOURNAL-BULLETIN, page 226, was found confined in the city jail at Mitchell, South Dakota, by a representative of our detective agents. Ramsey had been arrested on a charge preferred by the Ethan State Bank, (NM), Ethan, S. D., on a charge of forgery. Ramsey's bond has been placed at \$1,000 and up to the present time he has been unable to furnish same. Ramsey, on July 17, 1914, succeeded in defrauding a member bank at Carlisle, Ind., by means of a worthless check.

A bank member at Attleboro, Mass., was recently defrauded through the medium of a worthless check.

Investigation developed that a party by the name of A. L. RICHE opened an account with the Attleboro bank member by depositing a check of considerable size drawn on a bank in Bangor, Maine, in a few days it was determined that this check was worthless, but before the value of this check was known to the bank, Riche succeeded in drawing a number of checks against his worthless account, one of which the bank honored.

Our detective agents after making an investigation, caused the arrest of Riche at Boston, Mass., on October 16, 1914.

A. L. Riche is described as follows: Age, 35 years; height, 5 feet 8 inches; weight, 180 pounds; build, stout; style of beard, smooth shaven; complexion, dark; hair, black; occupation, cafe proprietor.



GEORGE W. RITTENHOUSE.

Reproduced above is the photograph of GEORGE W. RITTENHOUSE, alias George Herbert, alias Melvin J. Woolsey, alias Charles Herbert, who was arrested by our detective agents on October 16, 1914,

at New York City, for having defrauded a member bank at Orange, N. J., by means of a forged check. This is the second time that our detective representatives have arrested this man Rittenhouse.

On September 14, 1912, he was taken into custody at Newark, N. J., and given an indeterminate term in the Rahway, N. J. Reformatory. As soon as released on parole, he again took up his operations of passing forged checks.

At the present time he is being held in New York City, pending the receipt of extradition papers from the Governor of the State of New Jersey, where a charge of forgery is lodged against him; and he also has an unexpired term of eighteen months to serve in the New Jersey Reformatory at Rahway, N. J.

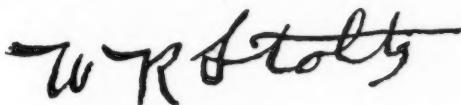
Rittenhouse is also wanted for having defrauded a bank at Baltimore, Md., JOURNAL-BULLETINS, October, 1912, page 257; December, 1912, page 389.

D. K. SMITH, whose operations have been reported in the JOURNAL-BULLETIN of September, 1914, page 171, was arrested by our detective agents and the police of Montgomery, Ala., on Tuesday, September 22, 1914, at Montgomery.

Smith had swindled a member bank at Huntsville, Ala., by means of a worthless draft.

See JOURNAL-BULLETIN, September, 1914, page 171.

On September 14, 1914, our detective agents were requested by a bank member at Portland, Oregon, to send a representative to their bank to interview a party giving the name of WALTER R. STOLTZ, who had just attempted to cash a check for \$173.50 payable to Stoltz and bearing the forged signature of a local timber man. Stoltz claimed to be in the theatrical business and stated that the check had been given him in payment for advertising. Rubber stamps, certification stamp, etc., were found on his person when searched. After being arrested by a police officer, Stoltz confessed to having swindled several hotel men and merchants in Portland and vicinity. Below is a specimen of this operator's handwriting.



REMOVED.

J. D. ANDERSON, alias W. D. Anderson, alias Lee McAllister, alias Harry R. Munn, alias J. D. Allen, alias P. J. Collins, alias Percival E. King, and various other alias names, and of whom mention is made through the columns of the JOURNAL-BULLETIN for June, 1914, pages 828, 829 and 830; July, 1914, pages 17 and 44; August, 1914, page 107; September, 1914, page 174, and October, 1914, page 233, and whose photograph is shown in this number, following his arrest at Seattle, Washington, September 11, 1914, and his subsequent return to Salt Lake City, Utah, was recently convicted in that city and sentenced to an indeterminate term in the Utah State Prison of from three to ten years.

FRANK E. BAKER, alias "Scotty," a lake sailor who was arrested in Sandusky, Ohio, on July 20, 1914, and returned to Conneaut, Ohio, was indicted, arraigned for trial, found guilty of forgery and sentenced to serve an indeterminate term at the Ohio State Reformatory.

Mention of this criminal is made in the JOURNAL-BULLETIN on page 280, October, 1913, and page 116, August, 1914, issues.

Buffalo, N. Y., Thursday, October 22, 1914.  
HARRY BECKER, whose arrest is reported in the JOURNAL-BULLETIN for October, page 232, after

pleading guilty to an attempt of Grand Larceny before Justice Marcus in Supreme Court, Buffalo, N. Y., on October 10th, was given a deferred sentence, pending the further investigation of this man's past record.

J. T. CAMPBELL, alias John Campbell, alias Charles Curley, of whom mention is made in the JOURNAL-BULLETIN of June, 1914, page 833, and who was arrested in Chicago, Ill., and later returned to Macon, Mo., for trial, was tried in the September term of the Criminal Court at Macon, Mo., found guilty, and in October, 1914, was pardoned by Governor Major. He is now at liberty.

WILLIAM B. FARRELL, alias William Owens, alias J. J. Underwood, alias Carl Lieberman, alias Frank Hitchcock, alias J. J. Underwood, alias Otto DeLois Wipperman, whose arrest is reported elsewhere in this issue was sentenced in Pittsburgh, on October 17, 1914, to serve not less than three and a half years, and not more than five years in the Western Penitentiary.

H. W. FIELD, alias Warwick W. Maddison, mentioned in another article in this JOURNAL, was tried in St. Joseph, Missouri, and sentenced on October 12th, to two years in the Missouri State Penitentiary.

In the October, 1914, JOURNAL-BULLETIN, page 236, we published an article stating that MARSHALL MOON, who was arrested near Pell City, Ala., on the charge of having passed forged checks and was on a charge of train robbery, convicted and sentenced to two years in the Alabama State Penitentiary.

We must advise that this information is an error. He was tried upon a charge of robbing a mail car, in the Federal Court at Anniston, Ala., on May last, was convicted and sentenced to serve twenty-five years in the Federal Penitentiary at Atlanta, Ga., where he is now serving his time.

This removal was counted in the October statistics, so will not be counted in this month's statistics.

FRANCIS I. FRANCIS, of whom mention is made in the October, 1914, JOURNAL-BULLETIN, page 234, was on September 22, 1914, released from custody, having been found not guilty.

Florence Hendershaw, who was arrested with the Francis boy, however, was found guilty and has been placed in the custody of the St. Louis Chief Probation Officer, with instructions to place her in some Girls' Industrial Home.

WILLIS GEOGHEGAN, whose arrest is reported elsewhere in this issue, was held to await the action of the Grand Jury at Pittsburgh, Pa., and his case came up before Judge Thomas D. Carnahan, on October 15, 1914, on which date Geoghegan was placed on parole for one year.

A. D. HULQUIST, alias S. D. Shrum, alias S. D. Schrum, alias Jule Harris, whose arrest is reported on page 234, October, 1914, JOURNAL-BULLETIN, was released from custody on September 24, 1914.

J. F. KAUFMAN, alias Jack Kaufman, alias Jack Von Kaufman, mentioned in the JOURNAL-BULLETINS for April, 1914, page 694, May 1914, page 774 and August, 1914, page 116, was on September 29, 1914, sentenced to four years in the Arkansas State Penitentiary, Little Rock, Arkansas.

On September 30th, J. B. KINNEY, who has been mentioned in previous issues of the JOURNAL-

BULLETIN, was dismissed by a jury in Denver, Colorado.

IRA A. KLEINHEN, whose arrest is reported in the October issue of the JOURNAL-BULLETIN, 1914, page 234, was called for trial in the Court of Justice Forbes at Los Angeles, Cal., on September 28, 1914, and owing to the failure of the main witness against the accused to appear, the case against Kleinhen was dismissed.

C. J. LIVELY, alias Bill Lively, alias C. J. Linley, alias J. M. Lavelly, of whom mention was made in the JOURNAL-BULLETIN for June, 1914, page 835, and September, 1914, page 178, and who was arrested in St. Louis, Mo., and returned to Chicago for prosecution, was taken before the Criminal Court and upon his confession was convicted and immediately placed on probation with the understanding that he was to make good to those whom he had defrauded.

J. T. MARTIN, whose arrest is reported on page 772 in JOURNAL-BULLETIN for May, 1914, broke jail in Holdenville, where he was held awaiting trial, October 9, 1914, and is now at large.

This man made a practice of forging the certifications of cashiers of different banks to bogus checks, which he would then negotiate without any trouble.

He is a traveling salesman by occupation and has also had considerable experience in selling stock in different companies who are promoting light and power plants to be installed in small towns throughout the country.

MAY BELL MATHENY, mention of whom is made in the September, 1914, JOURNAL, page 181, was released from custody owing to insufficient evidence. However, it is thought that she will be indicted by the November grand jury.

FRED R. MATHER, of whom mention was made in the JOURNAL-BULLETIN issues of August, 1913, page 107; September, 1913, page 224; January, 1914, page 527; October, 1914, page 234; entered a plea of guilty to a charge of forgery and was sentenced to serve an indeterminate term in the Ohio State Reformatory.

RAYMOND MONDAY, who defrauded a member bank at Corona, California, by means of a raised check, and whose arrest is reported in the August, 1914, issue of the JOURNAL-BULLETIN, page 117, is now confined in a hospital for the insane.

No action is at present being taken in regards to the prosecution of the case brought against him.

The California Bankers' Association is co-operating with this Association in this case.

PHILLIP H. MITCHELL, alias P. H. Mitchell, who defrauded a member bank at Bartlesville, Okla., during August, 1912, and who was re-arrested by our detective agents on September, 1, 1914, was sentenced to serve six months in jail at Bartlesville. See JOURNAL-BULLETINS, October, 1913, page 284; January, 1914, page 527; October, 1914, page 234.

J. L. MORRIS, whose operation is mentioned on page 235, October, 1914, issue of the JOURNAL-BULLETIN was returned to Cleveland from Youngstown, Ohio, tried and convicted of forgery and sentenced to serve an indeterminate term in the Ohio State Reformatory.

J. W. NEELY, alias J. W. McNeely, mention of whom is made in the September, 1914, JOURNAL-BULLETIN, page 182, having agreed to reimburse the membership bank that he defrauded, by making monthly payments, was released from custody and paroled to Charles Conley, who went on Neely's bond.

WILLIAM ARTHUR ROSS, mentioned on page 235, October, 1914, JOURNAL-BULLETIN, has been found guilty of attempting to enter the safe of a bank member of Ayr, N. D., and has been sentenced to serve three years in the State penitentiary.

C. W. SHERBERG, alias C. W. Scherberg, alias C. W. Scherburg, alias C. W. Schaberg, whose arrest was brought about at New Orleans, La., on February 6, 1914, for having defrauded a member bank at Grenada, Mississippi, was convicted of the charge brought against him, but sentence was held up as he had already served six months in jail and the judge considered this ample punishment.

OTTO G. SPAETH, alias A. J. DeMott, whose address is reported on page 182 of the September, 1914, JOURNAL-BULLETIN, pleaded guilty to having forged a check on a member bank at Buffalo, New York and on September 25, 1914, received an indeterminate sentence in the Elmira Reformatory, Elmira, New York.

A. L. WHEELER, alias J. W. Morgan, alias O. L. Patterson, who was arrested on June 27, 1914, at Luther, La., at the instigation of our detective agents, confessed to having defrauded a member bank at Biloxi, Mississippi. He was sentenced to one year in the penitentiary at Biloxi, Mississippi, on September 26, 1914, for this crime. See JOURNAL-BULLETIN, July, 1914, page 51.

#### AWAITING TRAIL, EXTRADITION OR SENTENCE, NOVEMBER 1, 1914.

##### ALLEGED FORGERS, ETC.

Andrews, Charles, August 29, 1914, arrested; swindle Yampa, Col.

Angel, George, July 23, 1914, arrested; swindle East Ely, Nevada.

Armistead, Lester, August 8, 1914, arrested; forgery Holtville, Cal.

Bazzell, Charles, February, 1914, arrested; swindle Pryor, Okla.

Beemer, L. W., April 15, 1914, arrested; swindle Ypsilanti, Mich.

Berry, Aurelia Mildred, July 7, 1914, arrested; forgery New Orleans, La.

Blanchi, Ben. J., July 10, 1914, arrested, forgery Los Angeles, Cal.

Birnbaum, Jacob, July 21, 1914, arrested; forgery New York, N. Y.

Bishop, Louis, October 2, 1914, arrested; forgery San Francisco, Cal.

Bobnick, Robert, October 10, 1914, arrested; forgery Choteau, Mont.

Blass, Aline Davis, September 25, 1914, arrested; forgery New York, N. Y.

Boland, William, August 18, 1914, arrested; forgery New York, N. Y.

Bonchea, Benjamin, July 30, 1914, arrested; swindle Philadelphia, Pa.

Braun, F. A., July, 1914, arrested; forgery San Antonio, Tex.

Brogard, Girard, September 10, 1914, arrested; swindle Billings, Mont.

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- Bundy, H. C., August 7, 1914, arrested; forgery San Francisco, Cal.
- Burns, Dan, October, 1914, arrested; forgery Chicago, Ills.
- Buschman, Oscar, October 17, 1914, arrested; forgery Chicago, Ills.
- Bush, J. A., May 29, 1913, arrested; forgery Wenatchee, Wash.
- Cameron, James H., September 22, 1914, arrested; forgery Galveston, Texas.
- Campbell, Robert D., July 21, 1914, arrested; forgery New York City.
- Cantrell T. M., March 16, 1914, arrested; swindle Claremore, Okla.
- Carter, C. C., August 15, 1914, arrested; forgery Birmingham, Ala.
- Connors, Grace, October 12, 1914, arrested; forgery Detroit, Mich.
- Cooper, ——, May, 1913, arrested; forgery New York City.
- Cooper, C. S., March 7, 1914, arrested; swindle Cordell, Okla.
- Craddoc, A. W., October 15, 1914, arrested; swindle Cairo, Ill.
- Curtis, Edwin A., December, 1913, arrested; forgery Stryker, Ohio.
- Cuyle, W. G., October, 1914, arrested; forgery Chillicothe, Mo.
- Davis, William T., arrested June 27, 1914; swindle Yuma, Col.
- DeForrest, John, March 1, 1914, arrested; forgery Owego, N. Y.
- Delahoussaye, Wilbur Lee, June 19, 1914, arrested; swindle Cheyenne, Wyo.
- Dillon, J. L., August 4, 1914, arrested; swindle Los Angeles, Cal.
- Donnelly, M. C., August, 1914, arrested; forgeries Alturas, Cal.
- Donoho, Robert, August 1, 1914, arrested; swindle Owosso, Mich.
- Farlow, A. P., April 1, 1914, arrested; forgery Columbia, S. C.
- Feldman, Abraham Gilbert, August 3, 1914, arrested; attempted swindle New York, N. Y.
- Fletcher, A., August 21, 1914, arrested; Zanesville, Ohio.
- Frich, Tona, October 10, 1914, arrested; forgery Choteau, Mont.
- Frierson, Wesley J., October 3, 1914, arrested; swindle Denver, Colo.
- Fuentes, Frank San Elmo, July 30, 1914, arrested; forgery Philadelphia, Pa.
- Futrell, Tiny, June 15, 1914, arrested; forgery Charleston, Mo.
- Gavin, Martin, September, 1914, arrested; forgery New York, N. Y.
- Gillum, Carl, October 11, 1914, arrested; forgery Milford, Ill.
- Glackman, Solomon C., September 23, 1914, arrested; swindle Chicago, Ill.
- Goelitz, G., September, 1914, arrested; forgery Chicago, Ill.
- Gray, S. H., November 12, 1910, arrested; forgery Athens, Tenn.
- Guy, Ray, September 10, 1914, arrested; forgery Oxnard, Cal.
- Hambry, Charles, September 8, 1914, arrested; forgery Kansas City, Mo.
- Hamilton, W. S., January 29, 1914, arrested; swindle Council Bluffs, Iowa.
- Hardman, Carl, September 2, 1914, arrested; swindle Vincennes, Ind.
- Hearn, Frank, June 16, 1914, arrested; forgery New York, N. Y.
- Heild, Jessie, September 25, 1914, arrested; swindle New York, N. Y.
- Heisler, Robert, September 23, 1914, arrested; forgery Louisville, Ky.
- Hoagland, James H., September 25, 1914, arrested; swindle New York, N. Y.
- Howard, Robert W., June 16, 1914, arrested; forgery Fort Smith, Ark.
- Howe, John, October 17, 1914, arrested; contemplated swindle Kansas City, Mo.
- Jackson, Reginald, September 3, 1914, arrested; swindle Denver, Col.
- Johnson, Rowland, June 12, 1914, arrested; swindle Grundy Center, Iowa.
- Kelly, Margaret, October 11, 1914, arrested; forgery St. Louis, Mo.
- Kelly, Robert M., June 8, 1913, arrested; swindle Bishopville, S. C.
- Kirlin, Loretta, August 15, 1914, arrested; forgery Annapolis, Md.
- Klarch, George, October 10, 1914, arrested; forgery Choteau, Mont.
- Kreleberg, Harry, February, 1914, arrested; forgery New York City.
- Lambright, F. A., August 11, 1914, arrested; forgery Belleville, N. J.
- Long, Violet, September 5, 1914, arrested; forgery Wildwood, N. J.
- Lundin, Carl, September 26, 1914, arrested; forgery East Grand Forks, Minn.
- McGinnes, James, October 1, 1914, arrested; forgery Houston, Texas.
- McKellop, Tom, March 20, 1914, arrested; swindle Holdenville, Okla.
- McKellop, William, March 20, 1914, arrested; swindle Holdenville, Okla.
- McKinley, Mrs., June 12, 1914, arrested; forgery Williamsport, Pa.
- McKinley, Ruth, June 12, 1914, arrested; forgery Williamsport, Pa.
- McKinley, Maynard, March 10, 1914, arrested; forgery Idabel, Okla.
- Mellis, Charlie, July 16, 1914, arrested; forgery Decatur, Ala.
- Messinger, Andrew, October 21, 1914, arrested; forgery Bath, Pa.
- Miller, Earl, October 11, 1914, arrested; forgery St. Louis, Mo.
- Motley, Harry, October 17, 1914, arrested; contemplated swindle Kansas City, Mo.
- Parmeter, Oren, September 15, 1914, arrested; swindle Albion, Ind.
- Pickell, Oscar, August 3, 1914, arrested; forgery Altamont, Mo.
- Posselt, Charles A., July, 1914, arrested; forgery Worcester, Mass.
- Rabiner, Jules C., August, 1914, arrested; swindle New York, N. Y.

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Ramsey, Lec., October, 1914, arrested; swindle Carlisle, Ind.

Raphael, R., June 19, 1914, arrested; swindle Portland, Ore.

Richason, M., January 1, 1913, arrested; swindle Kansas City, Mo.

Riche, A. L., October 16, 1914, arrested; swindle Boston, Mass.

Rittenhouse, George W., October 16, 1914, arrested; forgery Orange, N. J.

Rogers, C. R., August, 1912, arrested; forgery Cordele, Ga.

Rowland, William, May, 1914, arrested forgery Hartman, Ark.

Ruhl, Andrew H., August 12, 1914, arrested; forgery New York, N. Y.

Ryker, John, August 18, 1914, arrested; forgery New York, N. Y.

Scanlon, George D., June 10, 1914, arrested; forgery New York, N. Y.

Smith, D. K., September 22, 1914, arrested; swindle Huntsville, Ala.

Smith, J. T., February, 1914, arrested; swindle Purcell, Okla.

Smithson, H. H., April 18, 1914, arrested; forgery Perry, Okla.

Spencer, H. E., January, 1914, arrested; forgery San Francisco Cal.

Stevens, E. M., March 10, 1914, arrested; swindle Millerstown, Pa.

Stoltz, Walter R., September 14, 1914, arrested; forgery Portland, Oregon.

Stone, George, December, 1913, arrested; forgery Lindsay, Cal.

Sturgis, R. E., July 3, 1913, arrested; swindle Jennings, La.

Sullivan, C. E., August 15, 1914, arrested; forgery Ensley, Ala.

Sullivan, Charles, September 7, 1913, arrested; swindle Munfordville, Ky.

Thompson, R. A., July 27, 1914, arrested; swindle Shreveport, La.

Vojvodic, Kajo, October 10, 1914, arrested; forgery Choteau, Mont.

Wells, Kate, June 10, 1914 arrested; swindle Cincinnati, Ohio.

Wise, Tessie, January 7, 1914, arrested; forgery San Francisco Cal.

Woolf, Beit, May, 1913, arrested; forgery New York City.

**BURGLARS AND HOLD-UP ROBBERS.**

Anderson, Nels, October 2, 1914, arrested; attempted hold-up Gilford, Mont.

Dropp, B. W., February, 1914, arrested; attempted hold-up Tacoma, Wash.

Griffen, William, September 25, 1914, arrested; sneak theft Denver, Col.

Edwards, Gilbert, October 3, 1914, arrested; hold-up Salt Lake City, Utah.

Malsegoff, Yacop, April 15, 1914, arrested; hold-up Elma, Wash.

King, Alex., September 18, 1914, arrested; burglary Lincoln Ala.

Martin, George M., October 1, 1914, arrested; hold-up Spokane, Wash.

Powells, John, September 28, 1914, arrested; burglary Lincoln, Ala.

**STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT.**

**AS REPORTED TO THE PROTECTIVE COMMITTEE.**

**From September 1, 1914, to October 31, 1914.**

New York, N. Y., November 1, 1914.

Persons arrested, discharged, convicted, fugitives, awaiting trial, etc.

	Awaiting Trial, etc. September 1, 1914.	Arrested since September 1, 1914.	Arrests in October, 1914.	Total	Convicted.	Discharged or Acquitted.	Escaped, Fugitive, Dead, or Insane.	Awaiting Trial.
Forgers.....	93	32	32	64	37	9	3	108
Burglars.....	..	1	2	3	1	..	..	2
Hold-up robbers.....	3	..	3	3	1	..	..	5
Sneak Thieves.....	..	..	1	1	..	..	..	1
	96	33	38	71	39	9	3	116



# AMERICAN

# INSTITUTE OF BANKING

## BULLETIN



Contributions for this Department must be received by the Educational Director of the Institute not later than the 20th of the month preceding publication.

### INSTITUTE ADMINISTRATION.

#### EXECUTIVE COUNCIL.

1915—ROBERT H. BEAN (*Chairman*), Treasurer Old South Trust Co., Boston, Mass.; C. W. ALLENDOERFER (*Vice-Chairman*), Assistant Cashier First National Bank, Kansas City, Mo.; H. J. DREHER (*ex-officio*), Assistant Cashier Marshall & Ilsley Bank, Milwaukee, Wis.; T. H. WEST (*ex-officio*), Ladd & Tilton Bank, Portland, Ore.; T. R. DURHAM, Assistant Cashier Chattanooga Savings Bank, Chattanooga, Tenn.; Q. B. KELLY, Assistant Cashier Citizens State Bank, Bingham Canyon, Utah; L. H. WOOLFOLK, Assistant Cashier Scandinavian-American Bank, Seattle, Wash.

1916—WILLIAM S. EVANS (*ex-officio*), Henry & West, Philadelphia, Pa.; W. O. BIRD, Colorado National Bank, Denver, Colo.; EUGENE J. MORRIS, Manayunk National Bank, Philadelphia, Pa.; GEORGE H. KEESEE, Assistant Cashier, Merchants National Bank, Richmond, Va. 1917—FRANK C. BALL, St. Louis Union Trust Co., St. Louis, Mo.; FRANK B. DEVEREUX, National Savings & Trust Co., Washington, D. C.; R. S. HECHT, Hibernia Bank & Trust Co., New Orleans, La.; JOHN W. RUBECAMP, Corn Exchange National Bank, Chicago, Ill.

#### OFFICERS.

WILLIAM S. EVANS, <i>President</i>	Henry & West, Philadelphia, Pa.
THOMAS H. WEST, <i>Vice-President</i>	Ladd & Tilton Bank, Portland, Ore.
GEORGE E. ALLEN, <i>Educational Director</i>	5 Nassau St., New York City
O. HOWARD WOLFE, <i>Assistant to Educational Director</i>	5 Nassau St., New York City

### PRESENT BANKING PROBLEMS.

By James H. Perkins, Vice-President of the National City Bank of New York and President of the New York State Bankers' Association—Address Before New York Chapter of the American Institute of Banking.

I UNDERSTAND this meeting to be the first of the year, and that the men who are here are here because the idea of technical education appeals to them. Banking in New York will assume a high plane if such interest in the subject continues. It seems to me there has never been a time in history more stimulating to the young men of a country than the present is to us here in America. The world is to-day in the throes of the greatest war of its history, a war which will upset and destroy the machinery of industry, and no man is, I believe, wise enough to foretell what the outcome will be. Civilization in Europe has for the moment broken down, trade has ceased, and finance exists only to provide sinews of war. Who will win, how national lines will change, who must pay the largest share of the cost, in life and national wealth, no one knows. Only this seems clear. That the United States, if its people are wise and temperate, must take a leading, perhaps before many years the leading, place in international trade and finance.

We are the only great nation on the earth who is doing business at the old stand, and the world is turning to us for help. Europe needs food and supplies; South America needs everything, and the greatest problem to be solved is the financing of the new situation. We in the United States have been somewhat provincial, and our whole banking business has been built up to meet the needs of our own country. The machinery which has served for that purpose must now be greatly supplemented and rearranged to meet new conditions. Luckily we have already passed and partly organized the new national banking law.

We naturally ask, How does this new situation affect us? In this way, that whenever a great readjustment occurs, the men who are best equipped will rise to the top. The strength of our country up to the present time has been the frontier. It has devel-

oped in our people an ability to meet new conditions and has given an absolutely fair chance for the best men to come to the top. I don't believe that, with the disappearance of the frontier, the genius of the American people has also disappeared, and I further believe that the great upheaval will give to the best men a chance to come to the top. In our financial and commercial development we can with advantage to ourselves study the methods that have produced results in other parts of the world; as, for instance, Germany has in the last twenty years given the whole world a lesson in the value of technical education. Men have been carefully prepared for the work they were to perform; perhaps the most notable instance is her multitude of highly trained commercial chemists. The same method has been applied in the training of her bankers. Often a man has been sent to England for two years, to France for two years, and perhaps to the United States before taking up his home job. The hardest thing to find in this country is a well-trained foreign exchange man who not only knows how to make the necessary daily calculations, but who possesses a trained commercial mind; who knows whether this is the time of year to expect coffee from Java or Brazil; whether crops are good in Russia, thereby affecting credit, etc.

We would not only learn this lesson from Germany, but get from France the habit of frugal living; we would soon be able to share with England the fruits that come to those countries that have accumulated wealth to let out to other new countries. Such are some of the ideas that are brought before us by present conditions.

Now a word about a few of the subjects in which technical education is especially needed at the present time. It is a particularly difficult matter for a man who is employed in one department of a big New York bank to get any good idea as to just how his work is related to the other departments of the bank, and unless he can at all times know how the game is going it is hardly worth while. I take it we wouldn't think much of a man on a football team if he only learned that on a given signal he was to run in a certain direction or interfere with such and such a man. No; the first thing a man learns on the football field is to keep his eye on the ball. Now that seems to me just what you can do in the Insti-

tute, learn the game all through and remember to always keep your eye on the ball, which simply means that you add intelligence to good technique. I am inclined to doubt if there are over half a dozen men in the city of New York who know how to organize thoroughly and well a transit department for the new reserve bank, and yet I suppose there are five hundred men in this city who could do efficient work in such a department, once it was organized.

What does this mean? It means that most men are doing their work mechanically. Perhaps thinking what time it is and how soon they can finish the particular job assigned to them so that they may get out. At all events, efficiency of operation and knowledge of the reason why are too often lacking. You who are here must realize this, or you wouldn't be here.

Again, take the problems that will come up if New York develops an open discount market. I believe that the development of a market in which what are known in Europe as prime bankers' bills are dealt in is absolutely essential if New York is going to take the lead in the financial world. But most of us know almost nothing about the operation of such a market. Acceptances made by the banks are new in this country, in fact only became legal during the last year. I don't know with how much care your classes have studied the Federal Reserve Act, or how much you have analyzed the effects of its various provisions, neither do I know how familiar you are with the new State Banking Act, but it would be hard to overemphasize the importance of these two laws. They provide a great deal of new machinery for the banking business, and careful study is necessary before we know how this new machinery is to work. I recommend for your consideration a study of an acceptance market and also a study of the laws which govern us and the possibility of improving these laws.

Again, I want to speak of the value to a bank man of some knowledge of foreign exchange. The subject is so big it would take a great many years to become thoroughly familiar with it, but a comprehension of its principle will broaden a man's horizon and add materially to the interest with which he regards events in this country and the world.

It might be of interest to discuss for a few minutes three of the problems in which all of us must necessarily be interested. In the first place, the handling of the big cotton crop is probably the most difficult matter with which we are confronted. The South will probably make this year 14,000,000 bales of cotton. Normally the United States uses about 5,500,000 bales and 9,000,000 bales are shipped to Europe. This year it is estimated that Europe will only take 4,000,000 bales, and at present the spinners of this country are far from busy. But let us suppose that a sharp demand arises and that our mills use what they did last year, or even that they go up to 6,000,000 bales. Then we have 4,000,000 to 5,000,000 to carry over. The least figure at which this can be carried is six cents a pound, or \$30 a bale. I have underestimated these figures, but at the best it shows \$125,150,000,000 worth of cotton generally disposed of which must be carried. As you know, the South is to a large extent a one-crop country. Therefore her prosperity depends to a large extent on the success of her cotton crop. For this reason it is incumbent upon the rest of the country to get under and help lift. What is the best way to do this? That is the question which is not as yet answered. Some people have started a movement to get a great number of individuals to buy a bale each and agree not to sell it below a certain price. Some people have proposed a big bank pool to carry the surplus, and some have suggested that reliable firms in the South store the cotton, insure it properly, and then draw on the banking houses and trust companies of the big cities on four or six months. These drafts to be accepted and then sold like prime commercial paper throughout the buying section of the country. There are many other schemes, but in one way or another the problem must be solved, and undoubtedly will be.

The second point which is proving troublesome is the payment of our debts to Europe in gold. Ordinarily our debts in Europe are settled by the ship-

ment of goods to Europe. This year Europe wants to be paid in gold. We have about \$1,300,000,000 of gold in the country, but it is estimated that less than \$200,000,000 is in the banks in New York. New York, however, is the big international exchange market in this country and receives calls from all over the country to settle foreign credits. To help this situation, the gold pool of which you all know has been formed. This simply means that banks in different parts of the country recognize the fact that the whole country is interested in the proper handling of our international balances.

Few people realize the difficulties of our foreign situation. It has been the belief of most of us that the United States has always had a trade balance in its favor. This, as a matter of fact, is doubtful, for, in addition to the regular importing and exporting operations, there have been very large invisible transactions. Foreigners living in this country send over a very large amount every year from their savings. American travelers abroad leave vast sums there, and the interest on securities held in Europe runs into large figures. Also it is noteworthy that a part of our credit in Europe has been created by selling our securities there. This operation has now been reversed. Europe has been sending our securities back in large quantities. We had shipped \$130,000,000 of gold to Europe this year before the war began. As soon, however, as war was declared it became evident that if we kept the Stock Exchange open, and allowed gold to be shipped out of the country, we would soon be left high and dry. Securities now owned in Europe would be sold to us for gold in such large quantities that our gold supply would be practically all taken in Europe. The Stock Exchange was therefore closed and the various clearing houses went on a clearing house certificate basis. That gave us time to breathe, and two important arrangements were made: one, the payment of the City of New York notes, maturing this fall and held in Europe, was guaranteed by the banks of New York, each one agreeing to pay its proportion. The second was the formation of a gold pool, or the agreement of a large number of banks of the country to contribute a certain amount of gold to be used in liquidating our foreign debt. These actions and the shipment of our product to Europe will certainly relieve, if not cure, our exchange troubles.

The third great new problem to which I am going to refer is that which has arisen in the countries to the south of us because of the fact that their usual channels of credit have been cut off. Cuba and South America are countries which produce an enormous amount of the food stuffs and raw material of the world. For instance, the Cuban sugar crop is by far the largest in the world. The Brazil coffee and rubber crop, the Ecuador cocoa crop, wheat and beef in the Argentine, nitrates from Chile, and so on, all are important factors in the world trade. All things which the rest of the world wants and all things the market for which has been largely cut off by the war. Not only has the market been cut off, but the source from which they have got their money to make and harvest their crop has been cut off. Their situation is therefore serious, and we are the only country in the world that can help them.

So you can see. We ourselves owe Europe—how much we don't know. Then we have unusual and big problems here in our own country, and we are asked in addition to go to the aid of the great countries of South America. It behoves us to act wisely and to do our work well. You and I and all of us have got to do part of it, and if we know what relation our work bears to the whole we will find our work most interesting. We won't learn our lessons in a year, but if every man engaged in the banking business does his part, with intelligence and interest, we will develop a most effective machine.

The opportunity for the United States to take a very commanding position in the world trade is here. We can be useful and helpful to our neighbors, but the time is coming, when the war is over, that we will be in active competition with the great countries now at war for the commerce we can now get. When that time comes we can only hold our own through having men who are thoroughly trained for their job, and the American Institute furnishes the best

means I know of for such a training, and so deserves the enthusiastic support of the whole banking community.

#### UNITED STATES' OPPORTUNITIES IN CENTRAL AND SOUTH AMERICA.

**By Hon. John Barrett, Director General of the Pan-American Union and Foreign Minister to Siam, Argentina, Colombia and Panama—Address at the Dallas Convention of the American Institute of Banking.**

It gives me particular pleasure, even though it be by proxy, to meet, as it were, the delegates to this Convention and to invite their valued interest in our commercial, financial, and general relations with the peoples and countries of our sister American republics of Central and South America. Not to call attention to my own position, but to let you know the standpoint from which I speak, I would have you bear in mind that it is my unique privilege to be the only strictly international officer in the United States or upon the Western Hemisphere. That is, in my capacity as Director General of the Pan-American Union, I am appointed and elected to that office not by the President of the United States or by the single voice of the United States Government, but by all of the American governments, including the United States. I therefore come before you not alone as an official of the United States, but as an official of each and all of the twenty republics which extend from Mexico and Cuba south to Argentina and Chile.

Naturally, then, you say, tell us something of the Pan American Union before you tell us of the field which it covers. In a sentence, therefore, I will describe the Pan American Union. It is an international organization of the twenty-one American republics, consisting of the United States, Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Salvador, Uruguay, and Venezuela, maintained in Washington by their joint contributions; controlled by a Governing Board made up of the Latin American Ambassadors and Ministers and the Secretary of State of the United States; administered by a Director General chosen by that Board; conducting its work with the aid of a large staff of trade experts, statisticians, economists, compilers, special writers, editors, librarians, stenographers, translators, and clerks; and devoted to the development of commerce, friendship, good understanding, intercourse, and peace among them all.

If the delegates to this Congress ever come to Washington they will find the Pan American Union housed in a building which the greatest living French architect has said combines beauty of architecture and usefulness of purpose more than any other public building of its cost in the wide world. That you may know that I am not exaggerating, I beg of you when you come to Washington to honor me with a visit. You need not be assured that the latch string will be loosed for you all!

Having now, as it were, a platform on which to stand, let us, in the very few minutes at our disposal, get a bird's-eye or comprehensive view of our sister republics which we will segregate under the name of Latin America. These countries cover an area of nine millions of square miles, or three times the area of the United States proper. They contain a population of seventy-five millions, which is growing faster by reproduction than the population of the United States and is destined some time to increase more rapidly through immigration. They conduct an annual foreign trade—that is, they buy and sell to foreign countries every year in normal times the enormous total of nearly three billions of dollars. What greater evidence of their value and worth could there be than these figures of trade exchange?

These twenty countries of which I speak are attached to us also by sentimental ties. Each one of them gained its independence from its European motherland through the leadership of generals and patriots who, in their own histories and biographies,

declare that they were inspired to make the fight for liberty by the example of our immortal George Washington! Each one of these countries wrote its Constitution and modeled upon the Constitution of the United States, and to-day all of these countries, in the distress of international affairs brought on by the European war, are looking to the United States for that spirit of co-operation, help, and good will which is the real test of friendship among nations as well as among men.

I hear some of you say: Yes, the commerce of Latin America is large—much larger than we expected; but what is the share of the United States? Is not that discouragingly small? In reply, let me remove from your minds a bogey which is too often paraded by the uninformed writer and speaker. The truth is that, just before the war broke out, the United States was building up its trade with Latin America faster than any European country, not even excepting Great Britain and Germany. Of course, those countries were far ahead of the United States in some sections of Latin America, but in the whole field the United States was leading. To prove this, I would call your attention to the fact that during the last year the United States bought and sold products with Latin America valued at nearly \$850,000,000, which was greater than the total of British or German commerce with those countries. In South America proper, that is, in the ten countries of the South American Continent, not including the ten Latin American countries in North America, Europe was ahead of the United States, but the United States was gaining rapidly upon Europe, and now, under the conditions of war, should outstrip it in the contest.

When the Pan American Union first began its agitation to awaken public interest in Latin America, the trade of the United States with that section of the world was only about \$450,000,000. During the last decade it has practically doubled, and that, indeed, is evidence that our manufacturers and business men are awakening to the situation.

Now I must tell you one or two impressive facts about Latin America in order that you may consider the field worthy of your study. How many of you realize that into Brazil, the largest of these sister republics, you could put the entire area of the United States and still have room left over for the greater part of Texas? How many of you realize that out of the Amazon River flows five times the volume of the Mississippi, and that it is navigable to the distance of nearly two thousand miles for the largest vessels that float upon the high seas? How many of you realize that Rio de Janeiro, the capital of Brazil, has one million population, is located upon the most beautiful harbor in the world, and is regarded as one of the show cities of the world?

How many of you realize that all of Argentina, Chile, Uruguay, and part of Paraguay are located in the South Temperate Zone, where they have climatic conditions not unlike those of the United States, and where a wonderful progress is being made both in business and in society? How many of you realize that Buenos Aires, the capital of Argentina, is the third city of the Western Hemisphere, ranking after New York and Chicago and having a population of 1,700,000; that it is the second Latin city of the world, ranking after Paris, and that it is the first city of the world south of the equator? How many of you know that Buenos Aires has the finest newspaper building, the finest opera house, the finest club, the finest race course, and some of the finest bank edifices in the world? How many of you realize that last year Argentina, with nine millions of people, conducted the largest foreign trade per capita of any nation on the face of the earth, and that these nine millions of vigorous people conducted a larger commerce than did Japan with fifty millions of people, or China with three hundred millions?

But I must not take up more of your time than to express, in conclusion, first, a word of congratulation, and, finally, a word of warning and caution. For congratulation I want to tell you of the successful entry of the banking interests of the United States into the great South American field. As a result of the continued agitation and efforts of the Pan Amer-

ican Union through many years, the National City Bank of New York City, after having secured permission from the Federal Reserve Board, and acting in accordance with the banking clause of the Federal Reserve Act, has already opened branches in Rio de Janeiro, the capital of Brazil, and in Buenos Aires, the capital of Argentina, with the probability of opening other branches in Chile, Peru, Panama, and, possibly, additional countries in Latin America. This means an extraordinary step forward and will have a most helpful influence upon Pan American commerce. Until the National City Bank took this step there was not a single bank in the ten countries south of Panama controlled by capital of the United States, while there were numerous banks controlled by capital of Great Britain, Germany, France, Spain, and Italy. It is the intention of the National City Bank not only to conduct a great exchange banking business, but to act as agent for the extension of the trade of the United States, giving and receiving information that will be helpful to the business men of North and South America alike. I think that I can sum up the situation when I state that I know of no bigger single influence to-day for the advancement of good relations, both of commerce and friendship, between the United States and South America than the establishment in that part of the world of banks controlled by capital of the United States and the presence there of the kind of men who must be the managers and employees of these banks.

My word of warning is one which I would have you remember. Although there is a magnificent opportunity for the United States in Latin America, it must be remembered that that opportunity now is handicapped and embarrassed by the conditions of war in Europe. Although Latin America has bought and sold in vast quantities to Europe and must need to buy largely from the United States and sell more to it, yet the war has brought on a most complete and extensive financial stringency which makes it impossible for Latin America to buy and sell as it would under normal conditions. A great many men, therefore, who go to Latin America now in the hope of building up large markets for their products will be disappointed. The present hour, therefore, is really more one of opportunity for study and investigation of the field with reference to further developments than it is for immediate profits. What Latin America really needs most at the present time is not so much our exports as our money in order that she may establish credit and resume business, and so that she may, in turn, purchase our exports. They need the United States more than ever before as a market in which to sell their accumulated products which heretofore have gone to Europe, and by selling these get money with which they can buy to a greater extent. What I want, gentlemen, in short, is that, in order to have a just view and true appreciation of Latin America, you shall not have your judgment clouded by the sad conditions brought on by the effects of a European war.

#### RURAL CREDITS.

By the Hon. Haxton W. Summers, Congressman-at-Large from Texas—Address at the Twelfth Annual Convention of the American Institute of Banking at Dallas.

THERE was a time when the economic condition which surrounded the greater portion of the agricultural classes did not touch us in a vital way. It was but yesterday when the communities of the earth were self-sufficient, each for its own needs, procuring its raw material, producing its manufactured products, and instead of using money largely as it is used now, the trade of the community was conducted on a basis of barter in kind. When the great railroads came, industrial revolution began in this country about 1830. Allow me to remind you that at that time New York City had only two hundred thousand inhabitants and your city of Boston about sixty thousand. That gives you some idea of how exclusively the population of the earth were living in the rural communities and how rapid has been the change from that time to

this which has placed almost half of your population in towns and cities exceeding twenty-five hundred; and in this change is the great problem that has come to you and to me, the problem which we must meet upon the responsibility of our own judgment. God Almighty, when he organized the earth, made it impossible for one generation to do the thinking of another. You and myself must grapple with this problem which has come out of the changes of time to challenge the genius of this generation, and to-day the world faces a situation where the high cost of living is challenging the attention of the economists of the country and the statesmen of the country. But I have come here not to air my own views, not to entertain you—I never play the role of a phonograph—but with a definite purpose in my mind to talk to you men who have a definite purpose in your lives. I tell you that unless you and others in this country change radically the economic conditions which surround the great forces of agriculture, no power on the face of the earth can prevent widespread hunger in America.

Between 1900 and 1910 we lost of the total cattle holdings of the United States ten million head, and between 1910 and 1913 ten million more head. Between those years the total sheep holdings of the United States were reduced nearly seven million head and swine between four and five million head, and still the tide of population sweeps in from the country to the great centers of population, and the great reserve supply brought over from the day of the community, when every community, because it did not have the means of transportation, had to carry a large surplus to supply it against the exigencies of season and climate. Any surplus is being wiped out. And who carries this surplus? Who comes to these great cities? I want to say to you now that never in my life have I uttered a word or written a line to arouse the prejudice of one man against another, but I warn you that, unless you solve the problem, you are going to the cupboard one of these mornings and there will be nothing there for breakfast. There is no sort of doubt about it, and there is not an economist in the world that doesn't know it. You hear people talk about the high cost of living. Let me leave this thought with you, and take it home with you to your people. You cannot reduce the profit of the farmer, because they are quitting at the present profit. You cannot make a man farm to-day. In the old days, when they did not change, but followed the vocations of their ancestors, when the country boy did not know anything to do except what his daddy taught him to do, you could; but to-day it is different. The population of the world is moving toward the great centers.

Let me give you another thought. To-day you see a whole lot of this rot in the papers and magazines about "back to the country"; but you know, when you get folks into the cities and they get this bug that flies around with the electric lights and the moving picture shows into their systems, they will stay in town and starve to death before they will go out to the country. The horse-sense thing to do is to try and keep the country boy in the country, and the only way you are going to do it is to help the country boy to make as much money in the country as he can make in town. These are things that we folks in town might just as well put in our pipes and smoke. We hear a lot of folks talking about people making a big mistake. Let me suggest this to your judgment. Our observation and knowledge of the migration of the ages is that it goes under the operation of the irresistible law toward the centers of best opportunity. I came from the country to the town because I could make more money in the town than I could in the country, and because I could do better than I could in the country. We are not fooling anybody in the country. We can go around and say, "Go back to the country where the air is pure and the birds are singing." We are not fooling anybody—they know that you and I are not going back to get any of that bird song and any of that fresh air. What I have been saying is not irrelevant. Here is the point I am going to lead up to—I am not going to argue it with you—you must eat to live and you people are concerned in the reduction of the cost of the table. The only place you

can reduce it is to reduce the burden upon production and distribution. That's all there is to it. I suggested a while ago the proof of the correctness of that statement. It is found in the fact that the fellow in the country is quitting at the present profit. There is no use to talk about cutting a man's wages when he says, "Why, I am quitting now." The reason why people have been leaving the country for the cities is that the industries of the city and the vocations of the country have become so pitted against each other, and the brains and ambition and capital of the city have been outbidding the country. That's all there is to it. One reason why you are paying more to-day for the cost of the table than you paid in years gone by is because you have reduced the number of producers, and the volume of production is lower, and that, with the competitive bidding of a hungry world for what you raise, is taking up and passing on to you every burden that is laid upon the producer. Do you get that? If the farmers of your country have to pay ten per cent. interest for the money used in producing their crop, you people who eat those crops after they have been produced—the teeming millions of our cities—must repay that ten per cent. There is no power on this earth that can prevent that. The cost of the table enters into the operative expense of every factory and bank as much as the cost of the fuel and the rent of the building enter into it. Do you get that? The difficulty has been that we folks in town have been looking on these problems as of concern only to the man in the country, and the time has come when we are having to absorb these unnecessary expenses which are laid upon the producer. If the automobile man can get money at six per cent. and the farmer pays ten per cent., the farmer is just that much at a disadvantage when it comes to bidding against the automobile manufacturer for the labor of a given man qualified to serve both. Isn't that right?

Now, you men, all patriotic citizens—I can't analyze this subject—a subject that reaches out and touches the vitals of society, of every man and every house and each house in America can't be analyzed in the time I have got. I will have to hit it in high places. As I said to you, we are facing a serious problem, one that has come in the evolution of time to challenge the genius of this generation, and I came from Washington to talk to you about it, because I realized it is work for you and work for me to do. We have got to do it—absolutely got to do it. Not only is it true that when the farmer and the manufacturer bid against each other for the brains and activity of men and the farmer is paying a higher rate of interest than the manufacturer, that the farmer is at a disadvantage—not only is that true, but I want to leave this with you, as patriotic American citizens. When that ten per cent. is passed on it falls as a burden upon the poor people of this country, upon the average family. Everybody must eat to live, and I submit to you, wouldn't it be better, as a matter of public policy, if the thing were the other way around?

I am not one of those senseless dreamers who think they are going to be able to solve this question in a day, and advocating some absurd legislation that violates every fundamental of horse-sense. I understand it is difficult, but I ask you if it would not be better if it were the other way around? Look at it from the standpoint of the people interested, and sound public policy. If the farmer could get his money at six per cent. and the automobile man had to pay ten per cent.—if either had to pay ten per cent.—this ten per cent. that the farmer is paying is passed on to the operative and the poor widow and to the average man in the great cities—pinches at the source of life. It would be far better that people be well fed, even if a few of us did not have an automobile, than if we had automobiles and were insufficiently nourished. I am talking to an audience too intelligent to imagine for a minute that I am purposely using automobiles as a thing against which I am directing my remarks.

I am not here to make an appeal for the farmer of this country; he is no better than anybody else, but he is just as good; and the time has come when we have got to recognize that those of us who live in the cities occupy different positions to what our

ancestors occupied when they lived in the country. When they lived in the country every fellow raised his own stuff, eating about all he raised and raising about all he ate, and carried a surplus to protect him against the exigencies of season and climate. Who is carrying your surplus now? Have you got it in your pantry at home? How much have you got? If the trains would stop running for three days, you would be running around Boston and New York, and you would not be talking about the high cost of living, but where to get the stuff at any price. This country with tremendous rapidity is approaching that time when we simple cogs in the machinery of production will face the widespread hunger which will visit America. Don't make any mistake about that. When you take the population's increase and line it up with the loss of the necessities of life—the American Institute of Agriculture shows the total grain production of the world had increased only one-half of one per cent. in the last two years, and we have lost a hundred million head of sheep—where are we headed for? Does that concern only the farmer? When that time does come around the farmer can hold back enough for himself and his, but what of us who live in the city? Where will we be?

There is another thing, another feature of this general proposition. This country with tremendous rapidity is losing its "Po' mou'ners." Think of that a minute. Where are we headed for? All the great students of every age of the world have declared that the home is the foundation upon which governments rest. Can we be indifferent, therefore, when we know that the foundation of this government and the bulwark of this civilization is becoming weakened? I am getting a little above my subject now. I am talking about a thing that ought to concern every man that loves his country. We need a system of rural credits in this country that will give to the honest man, willing to make a fight for his home, the cheapest money on the face of the earth. Not for him only—I don't want to be mistaken about this—I say that the Government's concern, and I speak deliberately there, and the concern of the individual citizenship—the proper system does not rest upon a consideration for the individual, but upon a consideration for the government itself. Every man that gets him a home in this country strengthens the foundation of the government that we love.

When we come to fashion a system of rural credits—I am speaking now about the serious, earnest, level-headed men who are working upon this subject as distinct from the demagogues who are undertaking to capitalize this necessity for their own personal and political aggrandizement—I say the serious men who are to come face to face with this problem recognize its tremendous difficulties in America. We have had a commission who have gone to Europe. They went at public expense, and when they got back, as was their duty under the circumstances, at public expense, they made a voluminous report. Well, if it were necessary to send a commission to Europe to find out that the system of economic and industrial conditions in Europe were so dissimilar from those in America that we cannot transplant a European system to America, it was worth the expenditure, I guess.

Now they have a system in Europe, and I think it is now pretty important to get that out of the way. Magazine writers and folk like that—all they know about farming conditions is what they see out of the windows of a Pullman car that is going through the country, and all they know about Europe is what they read from second or third-hand information that they get in periodicals—they are advocating the establishment in America of systems similar to the great systems in France and Germany. In Germany, France, and Austria, and in some parts of the British Isles and in some of the Scandinavian provinces, they have demonstrated that it is possible to have a system of rural credits which is adapted to the peculiar necessities of the agricultural interests. That is the big outstanding fact, and the only other fact, it is pretty clear, is that the results—the big results—come from the great German system, and that the organization is better in Germany than anywhere else. The great system of France gets its money largely from the fact that it is permitted to operate a lottery

which attracts money with which to do business. That, of course, is impossible in America.

In Germany the conditions under which people live peculiarly fit them for co-operative enterprises of this sort. In America our farmers don't live in villages. There is not much solidarity to society in the country and the land tenure is different. Let me show you just how different it is. In Germany, in the agricultural communities, and I speak of this because, as I say, the greatest success is attained there, the people who live in rural communities in Germany have lived there all their lives, and their ancestors have lived there through generations gone by, and they are bound together by the ties of intermarriage and close association during all the days of their lives. They live in villages. Not scattered as we are, here and there, and they have a peculiar system of land holdings there. You know I went over there once. I worked a gentleman living in this town for my expenses, and so I talk about my trip to Europe sometimes, and I will on this occasion. Going through the average agricultural section in Germany you will see the land divided into strips running from fifty to probably sixty feet wide and two hundred to three hundred or four hundred feet long. Now, a farmer lives in one of those agricultural villages and he may own his hundred acres of land, made up of these little strips, no two of which adjoin; therefore he is drawn into close contact with every one of the others, and they learn to co-operate in the harvest as well as in the culture of their crops. There is a factor. Everybody nearly is kind to each other, everybody has known each other all their lives, living in villages close together, with an intermingling system of land holdings which brings them together, and add to that the fact that when once a man in that country voluntarily fails—I won't use the word voluntarily—once a man in that country, without the best of excuses, fails to pay his debts, he is ostracized in that country and there is no community in that great land where he can go to escape the knowledge of his defalcation. If he goes from one town to another, he has got to report to the policeman and the policeman gets his record. In America—you know the conditions which obtain here. They have no exemptions from forced sale, as we have here, practically none. When you come to deal with the American citizen, every community out here, the major part of the folks living out there are tenants—most of them came last year or the year before that or three years ago and are going somewhere else next year—no patriarchs in that community whose word is law and to whom everybody goes when they get into dispute—every family lives off each to itself, and they don't see their neighbors often, and under those conditions the people who live in the country are not willing each man to pledge his credit for the other man's debts. Do you get that? The system in Germany rests upon the fact that each man in the community stands bound for the other man's debts, and they are not going to do that in this country. They are not going to surrender their homestead and other exemptions in this country.

Therefore we will have to find a different system. Instead of studying conditions in Europe we will have to study conditions in America and fashion a system which meets the necessities of the people in America. And this, I believe, will be what you will finally determine upon: The basis of credit in America will rest upon organizations formulated very much like an ordinary corporation is formulated. It will be a joint stock company or a corporation. That corporation will stand bound for the common debts, and perhaps the individual stockholders will in addition stand bound for an amount equal to their stock. There will be a system of examination and inspection by either the Federal government or the government of the several States similar to the system of inspection of examination now visited upon the banks of this country.

But we are come to another proposition, and one that we must fight out before the bar of public opinion and crystallized judgment of the American people with reference to it: "Shall the government of the country render aid, financial aid, in getting these institutions started and maintaining them afterwards?"

There are two very definitely crystallized opinions with reference to this matter. I give you my judgment, and I do this in conclusion. My judgment is that the government will have to give its aid to these institutions to help them get the cheapest money obtainable, and when it does it, I believe that under the existing circumstances it will render the highest service to the people of the nation and to the nation itself. I am clear that there is not a thing within the power of organized society which it cannot afford to do to help this nation become a nation of home owners. Now I want to qualify that statement just enough to make myself clearly understood. I am not in favor of the Federal government or of the State governments doing one thing that is not safe, just as safe and covered by the same laws of business as your own institutions are governed by in their conduct. I am not in favor of the Federal government or the State governments making a donation to anybody, but I am in favor of the governments and the people who constitute them—and that is all governments are—the government is nothing on the face of the earth but an organization of the people who live there formulated for the purpose of promoting their common interests and protecting their mutual welfare. That is all. And as conditions change, the activities of the government must change to meet the changes of condition that have come since, but the people who fashioned the government, the people who founded the institutions of this country, could not tell you, because they knew nothing of them, for present conditions came since their time.

#### NEW DEPARTMENT IN THE JOURNAL-BULLETIN.

A column to be devoted to questions and answers on banking and financial subjects. Revival of department formerly operated by the "BULLETIN," to be undertaken in the January number.

**A** FEW years ago when the Institute was new, the then official organ, the "BULLETIN," conducted a department of questions and answers in practical banking. At that time there was little systematic educational work being done; there were but few Chapters, a small total membership, scarcely any certificate holders, and the correspondence instruction was conducted through an independent agency. In short, the Institute was in process of development and had not "found itself." It was natural, therefore, that interest in the "Question Box" lagged. The student had not yet progressed far enough to have become the teacher.

Ten years of sustained constructive effort have changed conditions. To-day there are over thirteen thousand members in the Institute of whom some eleven hundred are graduates. A post-graduate course is being conducted in several Chapters by the "Forums" which are already turning out teachers of marked ability. The Correspondence Chapter offers the same educational advantages that were at one time enjoyed exclusively by the city Chapters. Banking itself—our raw material, so to speak—is undergoing a process of evolution. More and more letters reach this office, asking questions that are in the minds of hundreds of bank men. The answers ought to be public property.

Beginning with the January issue of the JOURNAL-BULLETIN we will publish questions and answers on banking subjects that may be submitted to us. The department will correspond with the legal queries, which under the able pen of general Counsel Faton, has developed into one of the most valuable features in the JOURNAL-BULLETIN. Questions should be of general interest and confined to banking matters solely. Legal questions and answers to the exercises in the study pamphlets are, for obvious reasons, barred. Questions which are beyond the capacity of the banking talent available in the general offices, fortified as it is by the exhaustive reference library of the American Bankers Association, will be referred to the Chapter Forums.

Address your inquiries to the American Institute of Banking, 5 Nassau Street, New York, and mark the envelope "The Forum."



# INSTITUTE CHAPTERGRAMS

**Chaptergrams must be received by the Educational Director of the Institute not later than the 28th of the month preceding publication.**

## ALBANY.

By Alfred L. Taylor.

THE regular meeting of the Albany Chapter was held on Thursday evening, September 17th, 1914.

Strenuous efforts are being made by the boys for the formation of a forum and the ways and means are being thoroughly discussed. From the enthusiasm being shown, it looks as if Albany Chapter would soon have advanced a little further along in educational endeavor and efficiency.

The membership committee is on the jump after new members and have issued small bulletins setting forth the objects, educational and social, of the American Institute of Banking. Quite a number of new members have joined and more are in prospect. Mr. Roos, as chairman of this committee, is to be congratulated on his new methods and the persistency with which he goes after new members.

We are still in the midst of the first part of the course and will soon take up the subject of money. Mr. Hill our instructor has a pleasing and acceptable manner in his discourse and the boys take to him greatly. There is no sluggishness or dopeness among them, for every word is so interesting, no one wants to miss the least bit of it. Mr. Hill brings the hard and dry facts of economics right down to every day life. Our classes show the interest that is displayed; they average up to thirty and thirty-five, and our last class had an attendance of thirty-seven.

The report of the delegates to the Dallas convention was very interesting and instructive. They are certainly good fellows in the South and we appreciate what a grand thing it is to be bound together in an association that has for its object education and personal efficiency.

In absence of a regular speaker for the evening, Mr. Rockwell spoke to us about the trip he and the other delegates had to Dallas. He said, among other things, that they had a delightful trip by water and land to New Orleans, picking up on the way the chapters of New York, Philadelphia, Washington, Richmond and Atlanta. The boys at New Orleans gave them a royal welcome and a jolly good time. The convention at Dallas was of a high order along educational and social lines. Mr. Rockwell comes back to us highly enthused and ready to tackle the problems of the chapter. He says it was an "eye opener" and he wished that every man in the chapter could have been there.

## BALTIMORE.

By Theodore C. Thomas.

BALTIMORE CHAPTER'S first open meeting was held on October 13th with the President, Albert N. Smith, presiding, and an attendance of over 200 members present.

The Hon. Wesley L. Jones of Washington made the opening address, which was filled with wit and humor, and in which the Senator recounted some of his experiences with the men behind the bank counter, and advocated retrenchment along all lines.

Judge M. C. Elliott, Counsel to the Federal Reserve Board, was the next speaker. Judge Elliott had as his subject "The Federal Reserve Act." The speaker outlined the causes which brought about banking reform, and finally the enactment of this great piece of legislation, in a very clear and concise manner. The appreciation of the audience was manifested in a rising vote of thanks to each of the

speakers. Following the speech-making we were entertained with several vocal solos, by Lester G. Matthews, and a delightful buffet supper.

No less auspicious was the opening of the Education Department's work on Thursday, evening, October 15th, when, with seventy-five of our members present, we had the pleasure of hearing our good friend from New York, O. Howard Wolfe, lecture on "Clearing Houses and Transits under the Federal Reserve Act." From the following outline it may readily be seen that Baltimore Chapter has mapped out quite an extensive program for this year's work:

Oct. 22nd.—Savings Banks, "Functions and Operations," J. Wilson Cole, Treasurer of Central Savings Bank.

Oct. 29th.—Savings Banks, "Investments," Wm. E. Knox, Comptroller Bowery Savings Bank, New York City.

Nov. 5th.—Trust Companies, "Trusts," Edward Guest Gibson, Ass't Secretary Safe Deposit and Trust Co.

Nov. 12th.—Trust Companies, "Operation," to be announced.

Nov. 19th.—Commercial Statements, Chas. P. Ditman, C. P. A.

Dec. 3rd.—Credits, Freas. B. Snyder, Assistant Cashier, 1st National Bank, Philadelphia, Pa.

Dec. 10th.—Investments, H. A. Tingley, Robert Garrett & Son.

Dec. 17th.—Bank Statements, Samuel M. Hann, Vice-President Fidelity Trust Co.

Jan. 7th.—Bank Examinations, Samuel M. Hann, Vice-President Fidelity Trust Co.

Jan. 30th.—Computation of Reserves, Samuel M. Hann, Vice-President Fidelity Trust Co.

A number of additional lectures covering the general subject of bank accounting will be given by lectures to be announced later. An examination will be held at the close of the year covering the entire course. Those passing the examination are given credit towards an Institute Certificate.

Dr. N. R. Whitney will close the course with a series of six lectures on Wealth and Banking.

Mr. Waldo Newcomer, President of the National Exchange Bank, has again offered prizes of \$25.00, \$15.00 and \$10.00, respectively, to the students attaining the highest marks in this examination.

The Post Graduate work of our chapter was started on Tuesday evening, October 20th. Dr. N. R. Whitney, of the Economics Department of the Johns Hopkins University, whose lectures were so much appreciated last year, again has this course in charge. The work this year includes a thorough analysis of the Federal Reserve Act. We have about thirty members in our Post Graduate class, and from all indications it appears that we will have the best year's work of the chapter along Post Graduate lines.

The Public Speaking Class, initiated so successfully last year, will be continued under the able direction of Robert N. Hickman. As a part of this course, the study and practice of debating will be pursued. Proficiency in public speaking is an invaluable asset to anyone, no matter what his business occupation may be, and Baltimore Chapter earnestly recommends such a class to the other chapters that do not have this feature of Institute work. We now have thirty-five members in our Public Speaking Class and look for great results this year.

Baltimore Chapter again has the privilege of rightly feeling proud of the achievements of several of its members, and takes pleasure in stating that Thomas Hildt, Vice-President of the National Bank of Commerce and formerly Secretary of the chapter, has recently been elected a Vice-President of the Astor Trust Company of New York City. (A sincere loss to Baltimore, but we hope, a great gain for New York Chapter.) Clifton K. Wells, of the First National Bank, former President of the chapter, has been appointed Chief Clerk of that institution. C. Bradley Hays, Transit Manager of the Merchants-Mechanics National Bank, has been elected an Assistant Cashier of that bank. Last, and best, William Ingle, Vice-President of the Merchants-Mechanics National Bank, has been chosen as a Class C Director of the Federal Reserve Bank of Richmond, and Chairman of the Board of Directors of the new bank.

For our November open meeting we have secured B. N. Baker to speak on "A Mercantile Marine for the United States."

Word comes to us as we send our Chaptergram away that our worthy President has been appointed to serve on the Publicity Committee of the American Institute of Banking. We are truly grateful that President Evans has chosen one of our men so well equipped to carry on the work of the Institute.

#### BOSTON.

By Harold A. Yeames.

WITH everything pointing to a progressive and successful season, Boston Chapter started on its sixth year of activity.

The Chapter Year-Book for 1914-15 was issued early in October and called forth much favorable comment from the members and public in general. It is a fine piece of work from both a practical and artistic point of view, and reflects much credit on chairman Bartlett of the Publicity Committee who had the publication in charge.

October sixth saw the commencement of the educational program with the opening of the Law course in charge of Clarence L. Newton, Ph. D. J. M. Two hundred and fifteen men were enrolled for this course, which was a most gratifying proof of the demand for the Institute work in Boston.

The following week the Business English course began, conducted by Prof. Hersey of Harvard University. With the opening of this course, all doubts as to the popularity or exigency for such a course in the educational program were dispelled. Over one hundred men paid their registration fee, and among whom were many of the older and more advanced members of the chapter.

Five-thirty P. M. Tuesdays and Thursdays, is the hour set for the Law and English classes. This hour was fixed by the Educational Committee after a most careful canvass of the membership by means of preference cards. These cards, giving a choice of several hours possible for the holding of classes, were circulated among the members, which resulted in five-thirty being the hour selected.

Plans are being made to organize a group of members who are desirous of making a thorough study of the legal side of transfer work, the settlement of estates, and the duties of executors and administrators. If sufficient demand is evidenced for such a course of study, arrangements will be made to form a class for that purpose.

Chairman Stone of the Post Graduate Committee announced the first "Round Table" to be held on November sixth. The subject discussed was the Discount Department.

Much interest has been aroused by the announcement that a good friend of the chapter has generously offered prizes of fifty, twenty-five and ten dollars each, for the best three papers submitted by members, on subjects to be selected later. This competition will be open to all members of Boston Chapter who are Institute Graduates, one-credit men, or are enrolled in either of this year's courses in Law or English.

#### BUFFALO.

By Godfrey F. Berger, Jr.

THE opening meeting of the Buffalo Chapter was held on Thursday evening, October 8th, and was well attended. Clifford Hubbell, President of the Central National Bank of Buffalo gave a very interesting and instructive address on the Federal Act. Mr. Rattray, our instructor, then spoke briefly on the course for the coming year and what it includes.

The following week our first class in Banking was held. If the attendance at this class can be taken as an omen, the Buffalo Chapter is entering on a very successful season. About forty-five fellows attended, this number being increased to fifty at the next meeting.

The spirit shown so far, in these classes, has been one of good fellowship, coupled with a desire to learn more of Banking and Finance than the detail work in a bank makes possible.

Our President, Harry G. Hoffman, has just returned from Dallas, Texas, where he attended the annual convention of the American Institute of Banking. He reports having had a very interesting trip. At a recent meeting, Mr. Hoffman gave a detailed account of his trip and all agreed with him that the Dallas Chapter, as well as Fort Worth, Waco, New Orleans and others, had entertained the delegates to the convention royally.

At our last business meeting the resignation of Mr. Healy, our librarian, was submitted and in accepting it the chapter gave expression to the debt of gratitude it owes Mr. Healy for his invaluable services and regret the necessity for severing connection with us. We are glad to felicitate Mr. Healy on the improved position he has accepted.

The chapter then elected Gordon Cleversley to succeed Mr. Healy.

Plans are now being made for a series of informal dinners, the first to be held in November.

#### CHATTANOOGA.

By F. J. Donovan.

THE Chattanooga Chapter started off its season with their annual banquet, which was held at the Y. M. C. A., October the 8th, about seventy-five members were present.

The delegates to the convention at Dallas told of their experience in different ways.

Mr. Swaney outlined his course of lectures for the winter, which began Thursday night, Oct. 15th, before a very large crowd, our educational work this year promises to be the best ever.

Our Membership Committee have secured twenty-eight new members in the last month, our President, Mr. Holdam is a very active member of this committee. About ninety per cent. of the bank clerks in Chattanooga are now members of our chapter.

#### CHICAGO.

By Guy W. Cooke.

CHICAGO opened its chapter year September 13th, before the delegation left for Dallas. "Get together" night has always been one of the big events of the year and 1914 proved no exception. The big assembly hall was crowded to capacity and the overflow scattered around headquarters testified to the continuing interest in chapter affairs. President Gorby outlined briefly the work of the coming year based upon the report of the educational committee. Provisions are made for the following classes: "Negotiable Instruments" (full course) by James L. Ennis, LL.D.; "Banking and Finance" by Earl Dean Howard, Ph.D.; "Principles of Accountancy" by George W. Rossetter, C.P.A.; "Public Speaking" by Prof. R. E. P. Kline.

Time tested, these courses are sure of a representative attendance, and while the full course on negotiable instruments, eliminating the other branches of law necessary to the Institute degree, is an innova-

vation, little doubt exists as to the expediency of the departure. The executive committee, as well as that on education are a unit in the belief that the best interests of the chapter are served by making two year's work necessary for the degree. There are instances where a man came into the chapter, took the work and dropped out, a graduate in a single season, qualified as chapter man, but still deficient in the ideas and ideals of the organization, totally lacking in the spirit which longer association seldom fails to give. This year will produce none such!

The program of this opening meeting again proved that the Chicago star was still in the ascendancy. good entertainment of the vaudeville variety had been provided but a serious speaker, one who could crowd into twenty minutes the erudition of the ages, and do so between a comedy monologue and a song and dance artist had not been scheduled. Chance or the characteristic preception of the Educational Director of the Institute (the writer credits the latter) filled the gap. At any rate Mr. Allen was there when the meeting opened and gave the bank men an inspiring talk on his favorite subject. Almost at the start he got down to specific results attained through Institute work and from the acquaintance it brings. His illustrations came vividly into the experience of Chicago men, and another banner year is certain to follow if only a part of his logic sinks home.

As noted in the Bulletin's last issue, Chicago both won and lost at Dallas; won with Rubecamp; lost the debate, the second successive defeat for the Windy City team. At any rate we still have representation on the executive council, and being good losers are more or less satisfied.

The second regular monthly meeting of the chapter, held Wednesday, Oct. 14th, brought forth an interesting speaker in Prof. H. J. Atkins, humanologist and vocational efficiency expert. Half a dozen charts, showing characteristics of the human race from the criminal degenerate to the "God-Man" of mental and spiritual perfection illustrated the lecture, and a dozen members of the chapter served as volunteer martyrs to the cause of science and incidentally furnished the basis of considerable amusement to their fellows.

Chicago Chapter, for the first time, was directly represented by a delegate to the convention of the American Bankers Association, John W. Gorby, president of the chapter, making the trip to Richmond.

Encouraging reports both in membership and class attendance indicate that in no way is Chicago slipping back from the good record of former years.

#### CINCINNATI.

By William Beiser.

**D**ETERMINATION more than enthusiasm which is transitory was in evidence at the first meeting of the chapter on October 20th, in Parlor

"F" at the Sinton Hotel. The Chairman in his opening remarks expressed the hope that his administration would be characterized as the Educational Year. Mr. Mergler reviewed the work of his class and made reference to his policy for the year. He reports an enrollment of 20 members in the class of "Banking and Commercial Law." Mr. Brewster gave a brief outline of his course and reported an enrollment of 30 men in the class of "Money and Banking." The manifest earnestness of the students in these two (2) courses resulted in the conclusion of the instructors that they have enrolled for a definite purpose. The former class meets upon Thursday and the latter upon Friday from 6 to 8 P. M.

Mr. George, a delegate to the Dallas Convention reported of the valued service rendered by Past National President Dreher as to the conducting of chapter work. Mr. George made an excellent review of the Dallas trip and Convention. High tribute was paid to Southern hospitality and to the progressiveness of the South. He made a review of the subject of rural credits. Mr. Barrett's address respecting "Opportunities for Trade in South America," the symposium on the Federal Reserve Act—Mr. Wolfe's

discussion of "Transit Items" under the Regional Bank System and the symposium on the South.

Mr. Goetz, our delegate to the American Bankers Association Convention reported at length respecting the features of the Convention and the papers paying particular attention to the discussion of the Federal Reserve Act as given by Mr. Reynolds and Mr. Glass. It has proven of much value to the chapter to send delegates to the different Conventions. It developed a determination for chapter service on the part of the returning delegates and thus develops a foundation for service in matters upon which the chapter can always depend. A resolution was unanimously carried to initiate and offer the services of the organization respecting the development of Thrift in the Public School System. The Chairman has appointed Mr. McFarland as Chairman of the Debate Committee. Members are urged to co-operate with this Committee. There is no practice which more develops the broadening of views—the respect for other men's opinions and the proper presentation of own opinions than can be found in the art of debating.

#### CLEVELAND.

By H. W. Herrick.

**C**LEVELAND CHAPTER opened its fourteenth year with the customary informal reception and dancasant, given in the club rooms by the newly elected Board of Governors, on the evening of October thirteenth. The "fair sex" turned out in good numbers and were royally entertained by our "braves," who furnished an evening of musical selections and dancing, followed by light refreshments.

However, October twenty-seventh marked the official opening of the Chapter's educational activity. An unusually large crowd heard Eris C. Hopwood, President of the City Club, and Managing Editor of the Plain Dealer, discourse on "The Newspaper and Banking; mostly Newspaper." Mr. Hopwood spoke very entertainingly of the history of the newspaper from the "Boston News Letter" before the Revolutionary War down through the epoch-making period of James Gordon Bennett to the modern up-to-date paper. In drawing comparisons as to their functions, he spoke of the newspaper as being similar to the bank organization in that the success of both depends upon the confidence of the community in which the bank or newspaper renders its services. Messrs. Bissell, Weber, Haas & McKee, gave a brief resume of the 'doings' at the Dallas Convention, pointing out the salient parts of the business sessions, and somewhat at length, on the entertainment features. We are all agreed that our fellow chapter at Dallas, more than made good its claim to be known as the Convention City of the Southwest. We also wish to congratulate the New Orleans Chapter for their entertainment and display of "true Southern hospitality."

Clay Herrick, who was the chapter's delegate at the American Bankers Association Convention, at Richmond, reported one of the most successful conventions of the organization. He also spoke of the much famed "true Southern hospitality."

George M. Church, Chairman of the Educational Committee, reports for the first half year, a class in Political Economy will be held. The subjects of Wealth and Banking will be taken up as well as Loans and Discounts, Clearing Houses, Trust and Savings Institutions, and the new Federal Reserve Bank Act. As yet we cannot announce the leader, but indications are that a Western Reserve University Instructor will be secured. The second half year will be given up to the study of Bank Accounting, under the leadership of Clay Herrick, of Ernst & Ernst.

The chapter has just issued a year book for the season 1914-1915. It is a neat pamphlet containing the list of members from the different banks, names of the present and past officers, since the birth of the chapter in 1902, and a copy of the new constitution as adopted last Spring.

Cleveland Chapter feels especially proud of the

selection of E. R. Fancher, of the Union National Bank, as President and Governor of the Fourth Regional Bank, located here, and of J. A. Ward, of the Cleveland National Bank, as one of the Assistant Cashiers. They are both Institute men, and for a long time have been members of our local chapter, "Joe" Ward in particular, being a charter member, and one of the most active and potent factors in the success of the Cleveland Chapter. Although many more members may secure appointments, these two are the only known appointees at the present time. Their host of friends in this chapter, as well as in the other chapters of the A. I. B., in which they are well-known, congratulate Mr. Fancher and Mr. Ward, and wish them success.

#### DAYTON.

By Jess Blackmore.

**W**E get down to real chapter work this month in our class in "Banking." By employing one man to take the class for the whole course we anticipate greater success than we had under our old system. The Educational Committee did some real live scouting for an instructor and booked Hugh E. Wall, Dayton's City Finance Director for the job. Mr. Wall has proven to be well prepared for the work and possesses one of those scintillating personalities which animates and inspires enthusiasm in a class. Twenty-six members have enrolled and many more are expected.

President Fred Hecht and Lon M. Holler gave the chapter some ideas of the interest, the value, the fun, frolic and pleasure of the Dallas Convention at the October meeting of the chapter. Mr. Hecht's fine lot of photographs gave us a graphic description of what was to be seen.

An invitation to a joint meeting with Columbus Chapter at their first meeting and smoker had to be declined with earnest regrets because of our chapter meeting coming on the same date and being too near at hand for postponement. Our fraternal good will is with the Columbus, (Ohio,) Chapter. We also had the pleasure of entertaining Mr. Sellers from Springfield, Ohio, at our last meeting and were glad to note the growth of the feeling of cordiality being developed among Ohio bankers.

#### DENVER.

By Marsdon E. Weston.

**D**ENVER'S membership in the American Institute of Banking has reached 205. Three cheers for our Membership Committee under the able leadership of W. H. Martin of the Interstate Trust Company. Mr. Martin's appeal in the Bank Notes columns was based almost entirely upon the educational advantages of the Institute, but he put this appeal in most original terms. He stated that if one were single, he should join and take up the study courses so that he would not have to be away from home evenings after he became a benedict, and to the married men he said their wives would be glad to let them off one night a week for self improvement.

President Daley has evinced his intense interest in the chapter's development by presenting to each of the some forty new members a leather pocket case, the gold lettering on same indicating that the owner is a member in Denver Chapter, A. I. B.

The feature of the last chapter meeting was the report of Denver's seven delegates to the Dallas Convention. Every delegate, and especially those who had not attended before, came home with a renewed determination to champion the cause of the Institute. In reporting the Convention it was so arranged that each delegate spoke on some particular phase of the Convention; one talked about the program, another the reports of the various committees under the direction of the Executive Council, etc., and Mr. Bird gave a very interesting review of the political phase of the Convention. The eloquence and earnestness which characterized each delegate's report gave evidence that a Convention (and especially the one at

Dallas) is a good thing. It was stated that President Dreher demonstrated great ability as Chairman of the Convention. Mayor Holland of Dallas, it was said gave a warm welcome and explained that they had granted the use of the City Hall as they deemed it an honor to have the Institute make use of their new civic building for the first time after its completion. They reported that the program of the Convention was a big surprise, especially to those who had not attended before, in that it was made up of speeches by men of National and international fame who made the men of the Convention feel that they enjoyed coming thousands of miles to speak to them.

Denver Chapter feels significantly honored that the opportunity of nominating the new President, Mr. Evans, was given to our Mr. Bird.

The new pennants recently gotten out by Denver Chapter are seen everywhere where bank men live and work. They reflect that spirit of energy, determination and progressiveness that makes it the wonderful success it is.

The Law Class with forty enrolled members and the English and Rhetoric class of twenty members are both well into their work. The Post-Graduate class will begin its work within ten days.

The chapter has organized an employment bureau under the direction of J. N. Quinn of the United States National Bank. Mr. Quinn will take the applications of bank clerks seeking positions on an application blank which he has gotten up, and he will put such men in touch with institutions wanting help. The banks have been notified of this service to be rendered by the chapter.

President Daley has been authorized to appoint a committee to act in conjunction with the Colorado Bankers' Association (State Bank Section) and the Colorado Greeters Association (an association of hotel men) in an effort to secure State legislation that would abate the "short check" abuse.

It is very gratifying to note the increased interest among local bankers in the work of the Institute. It is obvious that with this additional force, Denver Chapter will accelerate in advancement.

The following is a resolution which was recently adopted by the Colorado Bankers' Association:

Whereas, The A. I. B. section of the Colorado Bankers' Association have been putting forth earnest efforts to increase the membership and further the objects of said section; and,

Whereas, It is to the advantage of not only the clerks and under officers of the banks, but to the institutions themselves, that this highly laudable educational work be encouraged, fostered and promoted to the benefit of all concerned.

Resolved, The members of this association and the banks represented be and are hereby requested to co-operate with the officials of said section to advance and aid them in every possible way.

#### DETROIT.

By Fred. D. Greig.

**D**ETROIT CHAPTER officially opened the 1914-1915 season on October 21st, with a general meeting at the Club rooms, 207 Telegraph Building. Judging by the large attendance and the interest and enthusiasm shown, the coming season gives promise of being the most successful in the history of the chapter. The boys are evincing an interest in educational matters, such as has never before been present in such a marked degree. We are very fortunate in securing the services of one of Detroit's foremost young attorneys, a graduate of Detroit College of Law and of Harvard University, Robert J. Hanley, to conduct the class in commercial law. Mr. Hanley who was present at and addressed the opening meeting, outlining in a general way the plans for the coming class work, possesses all the qualities which are essential to the successful teaching of this subject, and the boys were much impressed with his manner of address and the substance of his talk. This class will meet Wednesday evenings, beginning October 28th.

The graduate list being now of sufficient size to

warrant our undertaking something in the way of post-graduate work, a meeting of graduates will be held in the near future to consider a course in English and public speaking. This class will fill a long-felt want in that it will serve to retain the more active interest of the older members in educational matters.

Eugene J. Flemming, Chairman of the Committee appointed for the purpose of formulating a new constitution, submitted a copy of the new draft in completed form, and after its articles had been thoroughly discussed and a few minor amendments made therein, it was accepted. This Committee deserves much credit for its splendid work in this connection.

The writer, on behalf of the Detroit delegates, attempted to report to the meeting the many interesting and entertaining happenings at the Dallas Convention, September 22nd-24th, and on the subsequent circle tour of Texas.

President McGrath announced the appointment of William J. Fuehrer of the Union Trust Company as Chairman of the Membership Committee. Mr. Fuehrer has some original ideas which, when worked out on a practical basis, will no doubt be beneficial in bringing many new members into the fold.

The present administration has scant sympathy with the policy of holding out features other than those of an educational nature as a bait to non-members, and the recruits to be taken in this Fall and Winter will join with the distinct understanding that the prime object of the chapter is the education of its members in their chosen profession, and that its efforts will be bent principally in that direction.

While a few social features will be provided for the coming year, including a banquet, at which we expect to be honored by the presence of William S. Evans, of Philadelphia, the Institute's worthy President, or the capable and ever popular Supervisor of Education, George E. Allen, of New York, they will be so arranged as not to conflict in any way with the educational work of the chapter.

By adhering strictly to the basic principles of the American Institute of Banking, we hope to make greater strides and command in an even greater measure that spirit of recognition, co-operation and financial support of the banking institutions of this city, so essential to chapter success.

#### DULUTH.

By R. W. Callan.

**T**HURSDAY, Sept. 24th, marked the opening of the activities of the Duluth Chapter for the year 1914-15 in form of a cabin party, held at the Kodapha Cabin on Lester River. About thirty-five fellows turned out, which was a rather good attendance for the first meeting of the year.

Vice-President Jos. P. Chapman presided over the meeting during the absence of President John L. Evans. Plans were made for our annual banquet which was held at the Duluth Commercial Club on Wednesday, Oct. 21st. There were about sixty-five clerks and officers present.

H. S. Macgregor, cashier of the City National Bank, acted as Toastmaster for the evening. The first speaker on the program was Bently P. Neff, Secy., of the F. A. Patrick Co., who gave a good talk on "Duluth Opportunities." Duluth is a big manufacturing point and our wholesale concerns are of immense advantage to the city on account of the large number of people they employ. It is true that navigation helps materially to increase the revenues of this city. It is true that we are one of the greatest shipping points in the United States, that back of us we have the greatest iron mines of the world, but it is also true that this city will never reach its greatest possible expansion, will never reach its greatest mercantile development until this land which lies to the west and north of us is settled and developed into prosperous farming communities.

Rev. Wm. F. Hovis, pastor of the Endion M. E. Church greatly amused and interested his audience by his speech "The Hustler." Willis A. Putnam related his experiences at the Dallas Convention, which was very interesting to all present. Chas. P. Craig,

a prominent real estate man and chairman of "The Economy and Efficiency Commission," gave a good talk on its purpose and what it has accomplished in Minnesota. Last but not least on the program was Attorney G. W. C. Ross, relating the work done by the chapter in the past and its hopes for the future. Our chapter has been very fortunate in securing the services of Mr. Ross for this year and prospects for a larger class than we ever had before are in evidence.

#### HARTFORD.

By Calvin C. Bolles.

**M**ASTER orators have listened to tremendous applause at the end of their speeches ever since the days of ancient Rome and Athens. But I doubt if Edmund Burke or even Patrick Henry ever heard more satisfying and hearty applause than followed the speech of President George F. Kane at the informal opening dinner held at the Hotel Bond on the evening of October 20th. In his clever talk our president outlined the whole year's work, dwelling more in detail on the educational work. Professor Gustave A. Kleene of Trinity College, is to have charge of the first half dozen meetings, taking us through the Federal Reserve Act. The remainder of the course will be handled by such well-known men as Arthur H. Cooley, George F. Kane and Arthur D. Johnson. Every man in our chapter can show his appreciation of the royal treat laid out for him by the Educational Committee simply by enrolling as a student and staying through the entire course. Thomas B. Rogers of the Connecticut Trust and Safe Deposit Company, is receiving the names and the dollar tuition fee.

Speaking for the Athletic Committee, President Kane told of plans for bowling, billiards, tennis, golf and baseball games during the 1914-15 season. Variety enough to suit the most critical!

The first speaker of the evening, Sidney W. Croft, former State Bank Commissioner and now Assistant Treasurer of the Society for Savings, gave a very interesting set of "reminiscences" covering the period when he examined banks for a living.

Professor G. A. Kleene was introduced and confined his remarks to a few words about the winter's work and a few witty stories.

George Ulrich, Vice-President of the American Industrial Bank and Trust Company, told a few of his weird and unusual experiences while in the War Zone, dwelling at length on the money situation in Europe and the United States. He stated with unquestionable emphasis that the nation with the last three hundred millions of dollars would win the war.

Rev. James J. Dunlop of the Fourth Congregational Church, entertained with a very short talk in a humorous vein. Special song-chorus sheets were at every place and even the good old "She ain't got no style" of Convention fame was sung with loads of "pep."

Between speeches, President Kane made the formal presentation of the diplomas earned last year. Although only four were awarded this time, the education feature of the year's work is being grasped so eagerly this season that a good big "graduating class of 1915" may be expected.

Contrary to our expectations, a post-graduate forum will doubtless be included in our year's work. There are enough men fit for the post-graduate work to make the thing well worth while.

On Tuesday evening, October 27th, our first Chapter night was held. "Suburban Night" we called it, and issued a special invitation to all our good fellows living out of town. A fine crowd was on hand to hear the story of that famous "Texas Trip" told by the men who went down. The trip was taken in sections by the various delegates so that no part was covered twice.

Following the Convention report, our old friend Daniel D. Bidwell, famous as a traveler, told us of his recent thrilling experiences on the continent while following the warring armies over the "play-ground of Hell." The entertainment committee, W. F. Lawson and A. G. Mackinnon, provided refreshments and a mighty fine time was the verdict.

On November the 12th, a regular Consul Dinner will be held. Several matters of great importance will be presented for discussion and the presence of every Consul is desired.

Our bowling league, now in its third season, has opened up with fourteen teams entered. Already nine games apiece have been rolled and dozens of high scores have been made. "Pop" Corbin rolls 117 most every morning before breakfast, to get an appetite. The cup which awaits the league leaders has been won by both the Aetna and Phoenix teams and one of them must "come across" this year again to own said cup.

It is almost time to begin looking forward to the coming of our dear friend, E. G. MacWilliam of the A. B. A. who is to address our boys on November the 17th. Mr. MacWilliam is a powerful speaker and deserves a big audience. His subject is one that is taking the attention of Institute men all over the country. Don't fail to hear him.

Less than two months lie between this date and the date of our Annual Adding Machine Contest on December 22d. Ray Buck now holds the Burroughs cup, having won last year's contest by one-fifth of one second from E. R. Barlow and "Babe" Luscombe. Who wants that handsome cup this year? It's yours if you want it badly enough to put in a few hours' practice and show them how to "bring home the bacon."

#### HOUSTON.

By H. J. Bernard.

**I**N the early years of the growth of any chapter, when the idea which the leaders are trying to convey is meagerly understood, nothing could increase the understanding and open the eyes of the young banker to the scope of the organization than a sudden influx of representatives from thoroughly organized chapters. With their years of experience in chapter work they fairly radiate the benefits to be derived from earnest application to Institute work.

Just such an experience was the pleasure of the Houston Chapter on September 27th, when the Circle Tour delegates from the National Convention at Dallas paid us a visit, which though short and occurring on Sunday, was nevertheless pleasurable to the utmost and has proven to be of lasting benefit.

At eight o'clock on the morning of that day the Circle Tour Special from San Antonio was met by about 150 of the local chapter men and accorded a most hearty welcome.

Under the royal guardianship of "Jolly McJunkin" the crowd marched to the Rice Hotel where they immediately enthroned themselves in the hearts of the Houston ladies by playing the role of Romeo in the lobby of the hotel to the fair "Juliettes" in the balcony to the tune of "I've got my eyes on you."

In the spacious ballroom of the hotel breakfast was served and interesting and entertaining addresses both by local and visiting men were enjoyed. Acting as toastmaster, Oscar Wells, Vice-President of the First National Bank of this city called upon Leon Sonfield, as mayor pro tem, to extend the city's welcome to the visiting bankers.

During the breakfast the company was delightfully entertained by two of Houston's talented vaudevillians who astonished many of the visiting gentlemen by rendering "This is the Life." The idea of singing "This is the Life" at 9 a. m., which, to quote Mr. Sonfield, "should properly be sung about six hours earlier," was a revelation to many of the visitors, and together with the spicy remarks of our ever versatile Mr. Sonfield may have radically revised and preconceived opinions of far-away Texas.

After the breakfast the visitors were escorted to the roof of one of Houston's sky-scrappers (The S. P. Carter Building) from which an excellent idea could be obtained of the extent of the city, of which they would otherwise have gotten a scant conception due to the very limited sojourn with us. At 12:30 automobiles were awaiting the guests, and a tour of the city was made covering the points of greatest interest, and at two o'clock the whole company were

given a rousing send-off as their special left for Galveston. A number of the local boys accompanied them to the Island City, and came back with enthusiastic reports of the splendid time received at the hands of the Galveston bankers.

During the past month the various committees, and especially the educational committee, have been active in preparing a schedule to be followed by the Houston Chapter during the coming season. It has been thought advisable to offer the members both the Banking and the Law course this year, arranging an alternative schedule on Thursdays, and in addition to that, a class in Public Speaking and Debate will be conducted on the second and fourth Tuesday of each month. Any one, two or all of the courses may be taken up and present indications are that all three classes will be well attended.

On October 14th a general meeting was held to discuss the plans laid down by the committees, and a definite schedule of class work adopted. Interesting and instructive talks were given by the gentlemen chosen to teach the various classes.

On Tuesday, October 27th, the first Public Speaking class convenes, the following Thursday the law students start their routine work, and the next Thursday the class in Banking holds its first regular meeting.

Much effort on the part of officers and committee-men has been put forth in the forming of plans for the year, and a great deal of satisfaction will be felt in seeing the members duly applying themselves to class duties.

#### KNOXVILLE.

By E. I. Brown.

**A**BANQUET at the Board of Commerce rooms on the evening of October 24th, was made the occasion of the first meeting of the Knoxville chapter for the year, and if a good beginning is any indication of a successful continuance and ending, our Chapter need have no fears for the coming season.

James A. Wallace, Jr., Assistant Cashier of the Mechanics Bank & Trust Company, acted as toastmaster. Practically all of the bank clerks of Knoxville and several officers were in attendance, and the enthusiasm shown has never been excelled at any meeting in the history of the chapter.

Professor C. W. Turner of the University of Tennessee, who will conduct the law course of the chapter during the coming year, made a brief but very interesting talk.

Reports of the delegates to the National Convention at Dallas, Texas, were made by Z. J. Shriver and J. Frank Disney. Both delegates were "boiling-over" with enthusiasm brought from the convention and were of one accord in expressing themselves of the value of the educational sessions, and the pleasure received in the hospitality that was tendered by both the New Orleans and Dallas Chapters.

Floyd E. Haun, Cashier of the Knoxville Savings Bank and E. C. Newgent, Cashier of the Knox County Bank & Trust Company, made very interesting talks on "The Advantages of the A. I. B. from the officers' view." Both of these gentlemen are old A. I. B. men, and have always taken a keen interest in the affairs of the Institute.

Other talks were made by the following: A. Y. Russell, on "What an old member owes to the A. I. B.; H. L. Vance, on "Educational Work;" W. E. Luttrell, on "The Fraternal and Social side of the A. I. B.;" E. I. Brown, on "The advantages of the A. I. B. to Knoxville;" George L. Ogden, on "The obligation of the A. I. B. to the banks of Knoxville;" P. T. Gormley, on "Membership;" Ralph Schmitt, on "Why all bank men should belong to the A. I. B.;" F. E. Barkley, on "The value of the A. I. B. to the credit man."

The last talk of the evening was made by D. C. Borden, past president of Knoxville Chapter, and Bank examiner for the State of Tennessee, who spoke on "The need of Institute study among the bank men of the State." Mr. Borden made a stirring appeal

for all bank men to take part in the Institute work. Z. J. Shriver, President of the chapter, outlined the work for the coming year and urged co-operation among the members to make this the banner year.

President Shriver has had a long association with chapter work, and assumes the leadership with a thorough understanding of the needs of the Institute and the ambition of its members, and needless to say the chapter is assured of a very able administration.

### LOUISVILLE.

By V. F. Kimbel.

THE reports of the delegates to the Dallas Convention were the chief subjects handled at the open meeting and smoker the evening of October 15th. Although the weather was not all that could have been desired, and we were in competition with "important" political meetings, a large number of men were on hand. Chester H. G. McKeldin gave a delightful review of the social features of our trip to and our stay in Dallas. Wilbur I. Newhouse then told of the hearty welcome and reception given the delegates while on their tour through Texas. Val. Franck Kimbel spoke for a few minutes on the business sessions at Dallas and expressed the hope that more of the officers of the Louisville banks, as well as the employees, would understand the real purpose of the Institute and its value not only to the men themselves but to the institutions they represent.

It is sometimes discouraging to those men who know the Institute best to find the large number of men in Louisville banks who have the false impression that the Institute is an organization of "bank clerks" primarily for pleasure, or the impression that is even worse—that it is a "bank clerks union." How different this is from the real purpose that it shall be a meeting place where "live" bank men receive preparation for higher positions, education in those subjects which will make them more competent to fill those positions, and association with the men of other banks of their own city and other cities that there may be more of the fraternal spirit manifest in their dealings with each other.

Leon P. Lewis, our instructor, gave a brief synopsis of the study course in law and negotiable instruments this year and of its value to the bank man in his business. He illustrated the advantage of Institute education by a story of a personal friend of his who had risen to one of the highest positions in banking in the State of New York and how he afterwards found that this friend had been a very active man in the Institute and a leader in his chapter.

We are glad to report that another very active man of our chapter has been elected as an officer of his bank. Eugene A. Converse was made Assistant Secretary of The Louisville Trust Company to succeed A. G. Stith, an institute man, recently made Secretary of the same institution. Mr. Converse has been a delegate to a number of the National Conventions of the Institute and two years ago was president of Louisville Chapter.

### MINNEAPOLIS.

By S. J. Fitzsimmons.

OCTOBER has been a busy month for the Minneapolis Chapter, as is no doubt the case with the Institute as a whole. The committees have been putting the finishing touches on their plans. Our educational committee, under the leadership of its able chairman, A. V. Smith, has been particularly active. He has reported that fifty chapter members are enrolled in the Banking Practice class, twenty in the Accounting, twenty-five in the Law, twelve in Economics and several others distributed among other business courses offered by the Extension Division of the University. The interest that has been taken in the educational work is very marked and the attendance at the classes exceptionally good.

Although there is little time to prepare, it is expected that a football game will be played Election Day between members representing two of the banks. Several former college and high school stars have entered the Banking profession in Minneapolis and they feel the call of the game in the air and are desirous of again "experiencing" the thrills of the gridiron. After this game the athletic committee will pick a team to represent the chapter in a game with the St. Paul Chapter for Thanksgiving Day, if it can be arranged. The players are looking forward to this game as they wish to regain the laurels lost to our associates of the Capital City last year.

On October 17th a chapter dance was given at Mrs. Noble's dancing academy. Those who attended all agreed that they had a most enjoyable time and they are eagerly awaiting the next one, and those who were unable to attend are no less eagerly looking forward to it. A gathering of this sort creates an excellent opportunity for the members of the different banks to get acquainted with each other, socially as well as in a business way.

At our next regular meeting, various business matters of importance are to be brought up for consideration. W. F. Decker, Vice-President of the St. Anthony Falls Bank, who was recently elected head of the Minneapolis Civic and Commerce Association, has accepted an invitation to address the meeting. That Mr. Decker's speech will be of the greatest interest goes without saying, for not only is he a banker of high standing in the community, but as head of that association which has and is accomplishing so much for Minneapolis, he proves that he is a public-spirited citizen who has the welfare of the city at heart. C. D. Brown, head of the protective department of the Minnesota Bankers' Association, has also accepted an invitation to speak. For many years Mr. Brown has very successfully pitted his wits against the desperate cunning of that class of criminals which preys on banks. His talk will undoubtedly be highly entertaining, for who among us does not enjoy reading thrilling detective stories? We are to have an opportunity to hear some thrilling experiences first hand and perhaps to learn some of the methods used by the criminals, and profit thereby. We hope our last statement will not be misconstrued.

### NASHVILLE.

By Leon Morton Savell.

NASHVILLE CHAPTER continues to hear many good reports from the Dallas Convention. In fact, we have heard so much about it that we almost feel like we had been there ourselves. Delegate Dorris came back with a peculiar kind of enthusiasm that is contagious so we hope he will go again next year. We also hope to bring the convention to Nashville some time in the future.

Several members of the Chicago Delegation gave us a surprise visit on their way home from Dallas. We showed them as good a time as possible under the circumstances but hope to have still another chance. They were about as clever a bunch of fellows as we ever met. We herewith extend them an invitation to spend their vacation with us next summer.

We held our first meeting on October 6th and by the enthusiasm displayed at our initial meeting, we hope to have a most successful year. President Currey was in the chair and after a few well directed remarks introduced the first speaker of the evening, N. C. Crichlow of Murfreesboro, who gave a most excellent report of the Dallas Convention and incidentally expressed his appreciation for the many benefits and friendships gained since joining the chapter. He has verified this by bringing us three new members for our Economics Class. He made such an excellent impression as a speaker that we are now grooming him for our Spring debate; so look out, Chattanooga.

We also had reports on the educational plans for the coming season. Our class in Economics promises to be very popular. We are very fortunate in

securing Professor Gus Dyer, instructor in this branch at Vanderbilt, but as he can't be with us until after November 1st, A. C. Dorris will fill the place till then.

Vance J. Alexander of the Cumberland Valley National Bank gave us a discourse on the Federal Reserve Act. After having debated the subject, having heard it discussed on several occasions, and having seen it thoroughly threshed out in the press, we feel qualified to take up its study as a part of our economics course. This is a most interesting study and we feel that it will be worth all the effort we can put into it.

The officers for the year are President Bradley N. Currey of the Fourth and First National Bank, Vice-President Joseph N. Dawson, of the American National Bank, Secretary Leon M. Savell of the Hermitage National Bank, Treasurer F. M. Farris of the State Bank and Trust Company.

#### NEW ORLEANS.

By Raoul Prudhomme

THE educational program for the coming session is the most elaborate ever attempted by the New Orleans Chapter, and all present indications point to its meeting with unqualified success. The course in Banking is being conducted by Harry Hardie, Trust Officer of the Commercial-Germania Trust & Savings Bank, an Institute graduate, and a gentleman eminently qualified to carry on this important branch of our study course. Mr. Hardie's class numbers over thirty members, all of whom seem to be taking an earnest and active interest in the course.

The course in Commercial Spanish also started most auspiciously, and we feel that this course is going to result in great good to the chapter and the individuals taking it up as well. The Spanish course is being carried out under the personal direction of Professor Fillippe Fernandez of Tulane University, which alone should insure its success. Professor Fernandez uses the Berlitz method, which is very simple and practicable.

Another departure in the line of educational work inaugurated this year was the formation of a Debating and Public Speaking Society, which has received enthusiastic support from the membership and whose success is already assured. Nicholas Callan of Tulane University, also a well-known local attorney, has charge of this class and he assures us that in the very near future every banker will be an orator. The following debate will be held in the very near future: "Resolved that it is to the best interest of Louisiana State Banks to become members of the Federal Reserve System."

The Forum Class for Institute graduates has also started work for the season, this class being under the very able management of Rudolf S. Hecht, Trust Officer of the Hibernia Bank and recently elected a member of the Executive Council at the Dallas Convention.

New Orleans Chapter wishes to take this means of thanking the American Institute of Banking for its enthusiastic support of Mr. Hecht's candidacy and the handsome manner in which he was elected to the high office in Institute affairs that he now occupies.

Since our last report we also had the pleasure of entertaining a large number of the returning delegates from the Dallas Convention. The delegates were taken for a ride around the city in automobiles, and also a ride on the Mississippi. The feature of the entertainment, however, was a large get-together Smoker at the Association of Commerce rooms. Quite an excellent vaudeville program was rendered, a feature of which was the clever work done by Clarence Hubbard of the Hartford Chapter. The Smoker was presided over by President Mulledy, who during the course of the evening called upon various prominent Institute men present, who all responded very graciously.

The New Orleans Chapter is indebted to the Dock Board for the very enjoyable afternoon spent

Saturday, October 17th. Through the courtesy of the Dock Board we were taken for an inspection of the harbor and dock system aboard the powerful tug-boat Samson. The ride was strictly an educational one and the seventy-five members who took advantage of it were greatly benefited thereby.

#### NEW YORK.

By J. B. Birmingham.

WITH an impetus furnished by the addition of over 300 new members to the already long roll, New York Chapter has inaugurated the season of 1914-1915. This highly satisfactory condition of affairs is largely due to the annual rally and recent distribution of the Year Book, which covers all phases of the chapter's activities. The Year Book sets forth in an attractive manner the advantages, resulting from attendance upon the vari-



ALFRED W. HUDSON.

ous educational and social functions offered throughout the current year.

Increased efficiency is the aim of the 2,300 odd members of the chapter, and to that end additions have been made to the regular two-year course, which leads to the Institute Certificate. Business English and Elementary Practical Banking is the title of the preliminary course, arranged for those unqualified for the regular first year work, or for any others who desire to renew their acquaintance with the subjects presented. Special lectures, dealing with modern banking problems, with particular emphasis upon the conditions resulting from the European war, are offered to all members, together with an opportunity for debate and formal discussion of kindred topics. As a direct effect of the present state of foreign trade and broadening field of commerce, a class in

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Spanish has had its inception, meeting twice weekly, with seventy men in attendance, thus adding materially to the unusually strong program of educational opportunities presented for the consideration of all.

Special meetings have been held by chapter representatives at the various banks and trust companies. In these gatherings, full information regarding Institute work is given those present. In this connection, such a meeting was held recently at the Astor Trust Company at the invitation of Consul Harry C. Bock, Fred W. Ellsworth of the Guaranty Trust Company; J. A. Seaborg of the Bankers Trust Company and Harold S. Schultz, Secretary of New York Chapter, were the speakers. About twenty new members were secured.

Institute men throughout the country will be glad to learn that Alfred W. Hudson, an ex-President of the First National Bank of Syracuse, N. Y., succeeding Mr. C. W. Snow, who becomes Chairman of the Board. Mr. Hudson, an experienced banker, was originally with the Fifth Avenue Trust Company, now the Fifth Avenue Branch of the Guaranty Trust Company of New York and later with the State Banking Department. He has been prominently identified with New York Chapter for many years; has served the chapter and the Institute in various capacities; and during his term as President of this chapter, established a program which has proved exceptionally practical and useful. As one of its most prominent graduates, the Institute may well feel proud of the record of A. W. Hudson.

Still another source of gratification to local Institute men, who have eagerly watched the development of the A. I. B., during the past twelve years, arises from the fact that at a time when a new banking system is being inaugurated, Institute members should be selected as experts to draw up the necessary plans and specifications for its proper operation. At the conference of directors of the twelve Federal Reserve Banks held in Washington recently, four men prominent in New York Chapter were honored by being invited to participate. These men were: O. Howard Wolfe, President of New York Chapter and Secretary of the Clearing House Section of the A. B. A.; Joseph A. Broderick, member of the Board of Governors of New York Chapter and Examiner in charge of Credit Bureau of the New York State Banking Department; Andrew A. Benton of Marwick, Mitchell, Peat & Company; and Ralph Dawson, Assistant Manager, Foreign Exchange Department, Guaranty Trust Company of New York. These men served on the Preliminary Organization Committee which prepared a comprehensive plan covering the modus operandi of the Federal Reserve Banks.

Among the items of interest to those in this vicinity, is the successful rally, recently held at the Board of Trade in Newark for Jersey bank men, in New York Chapter's campaign for membership. W. M. Van Dusen, Cashier of the National Newark Banking Company and a former President of Newark Chapter, presided.

The announcement has been received of the appointment of Milton W. Harrison, second Vice-President of this chapter to the Institute Debate Committee by National President William S. Evans.

Thorough preparation has been made by the local Debate Section for the work of the present season. The first meeting was held late in October, at which time the question was—"Resolved, that the present European war will greatly benefit the trade and commerce of the U. S. A." These meetings will be conducted at intervals of two weeks, under the direction of the following officers: George W. Wright, Chairman; B. S. Miller, Vice-Chairman and J. B. Birmingham, Secretary.

At the October meeting, the Board of Governors and Consuls held a joint session, questions of policy and steady improvement in Institute affairs being the subject under discussion.

The past month has brought to a conclusion the first part of the course in Practical Banking. Four excellent lectures upon the general subject of Economics, by Professor E. R. A. Seligman of Columbia

University, gave the members a rare treat in this interesting field of study under such an eminent authority. This will be followed by another series of lectures, including Early American Banking, Banking Legislation of the United States, Modern Banks Abroad and The Federal Reserve Act, by Professor C. A. Greene, of Brooklyn Polytechnic Institute. In the second year course, the class has made progress upon the subjects of Banking and Commercial Law, and Contracts, under the instruction of Milton W. Harrison.

The activities of the coming month include one of the most important social events of the year. The annual chapter dance will be held on Thanksgiving Eve, November 25th, at the Hotel Plaza, and the committee in charge has all the necessary arrangements well in hand to make this a most pleasing affair. Institute men who may find it possible to be in New York City on that evening are cordially invited to attend.

### OAKLAND.

By Theodore Jenkins.

OAKLAND CHAPTER is to be congratulated on account of its Educational Committee's fine work in securing the services of Professor I. B. Cross to conduct a class in Economics and Banking Law under the Supervision of the University of California Extension. A large class has enrolled and this gentleman, whose ability, coupled with his enthusiasm, will be the means of keeping every member grinding away until the end.

Messrs. McCormick and Watson, our delegates to the Dallas Convention, reported a most enjoyable time. The latter gentleman was fortunate enough to take advantage of New Orleans Chapter's Southern hospitality.

We are looking forward with a great deal of pleasure to our esteemed Educational Director's visit to the Coast.

### OMAHA.

By C. F. Morrison.

THE first meeting for the year of the Omaha Chapter of the American Institute of Banking was held in the Auditorium of the Y. M. C. A. Wednesday evening, October 21, 1914, and was well attended. At this meeting the following officers were elected: O. Williams, United States National Bank, President; C. L. Owen, Stock Yards National Bank, Vice-President; C. F. Morrison, City National Bank, Secretary; A. E. Swanson, Nebraska National Bank, Treasurer.

The election of Mr. Williams to the high office of President of the chapter is a fitting tribute to his splendid character and ability. Starting at the bottom of the ranks as mail boy in the United States National Bank, he has steadily advanced until he now occupies the very responsible position of Auditor. He is a man under thirty years of age but possessed of such remarkable ability and so pleasing a personality that he is held in high esteem by all of those who enjoy his acquaintance.

Under the administration of the officers elected, the Omaha Chapter is assured of a prosperous year and much success in the education of the younger men.

### PHILADELPHIA.

By Carl H. Chaffee.

PHILADELPHIA CHAPTER opened the season with a Smoker on October 9th. The largest attendance on record was reported, being nearly 500 men. Plenty of smoking material was provided and an enthusiastic reception was given William S. Evans, the newly elected President of the Institute, and the new officers of the chapter. Frank C. Eves of the West Philadelphia Title & Trust Co., our new President, had charge of the meeting and mixed the reports of delegates to the Annual Conven-

tion and other business matters with different entertainment features.

**THE CONVENTION**—The reports made by the delegates to the Dallas Convention, both publicly and privately, were without exception in high praise of the way the Dallas boys took care of their visitors, the entertainment provided and the cordial spirit with which they were received. The trip to Texas has been an education and an inspiration to every delegate. It has broadened the knowledge to see what a great empire is contained in the Southwest, and to meet those aggressive Texans and see their beautiful cities under their guidance has been an inspiration which will be lasting. The business of the Convention was expeditiously handled, with an interesting program, and best of all, was participated in almost entirely by Institute men. Of course Philadelphia Chapter is proud and gratified that the President of the Institute was selected from our ranks, and that our debaters won the very spirited debate upon the public ownership of telephone and telegraph lines. Philadelphia's delegation was the second largest which attended the Convention, and every man appreciates the opportunity he had to make the trip. Any account of the Dallas Convention would be incomplete if acknowledgment were not made of the hospitality extended by New Orleans Chapter and by the cities of Shreveport, Fort Worth, Waco, San Antonio, Houston and Galveston, and Philadelphia Chapter hereby expresses its appreciation of the successful efforts thus put forth which added so very materially to the pleasure and profit of the trip.

**EDUCATIONAL**—The educational program of Philadelphia Chapter naturally has an important part in the season's plans. A course in Banking will be conducted which will be under the direction of Prof. S. S. Huebner of the University of Pennsylvania and will cover Money, Exchange and Credits, Banking Functions, Bank Statements, Bank Collections and Transits, Bank Organization and Administration, Bank Accounting and Examination, Credit Department, Loans and Discounts, Commercial Paper, Bonds, Stocks, Security Markets, Corporation Finance, Foreign Exchange, Savings Banks, Trust Companies, Clearing Houses and the Federal Reserve Act. Over 100 men are enrolled in this class, which meets on Thursday evenings, and a most successful course seems assured.

Philadelphia Chapter has inaugurated a new course in the regular educational work. This will be a course in Trust Companies, and is designed to meet the requirements of men employed in trust companies who have not been interested in taking a course in Banking which applies more particularly to commercial banking. This course will cover History, Organization and Administration, Individual Trusts, Corporate Trusts, Agency, Attorney in Fact, Banking, Safe Deposit, Real Estate Department, Care and Investment of Trust Assets, Plans for Accounting and Checks in Connection Therewith, Title Insurance, and the following subjects covered also in the Banking Course: Bonds, Stocks, Security Markets, Corporation Finance, Clearing Houses and the Federal Reserve Act. Over sixty men have enrolled in this class, almost without exception trust company men. By special arrangement the completion of this course will count as the first year credit toward the Institute Certificate the same as the Banking Course. Many of the instructors are the officers of trust companies in this city.

The regular Post Graduate Forum will be continued this year under the supervision of an able committee and will follow out the recommendations of the Post Graduate Committee submitted at the Convention, including a special study of the Federal Reserve Act.

A special class in Negotiable Instruments will be conducted by W. W. Allen, Jr., a member of Philadelphia Bar, and a man of considerable experience in teaching this subject.

**DEBATING AND PUBLIC SPEAKING**—A class in debating and public speaking will this year be conducted under a well qualified instructor. Meetings will be held once a week, and with the excellent com-

mittee having this section in charge, the encouragement derived from the victory by our debate team at the Dallas Convention, and the healthy interest shown in debate work, a most successful season is anticipated.

**PUBLIC AFFAIRS COMMITTEE**—This Committee is actively at work completing arrangements to furnish speakers to appear before the Home and School League and various other organizations to discuss the general subject of banking and endeavor to promote thrift.

**MEMBERS NIGHTS**—It is planned to conduct during the winter a series of open meetings for the discussion of practical banking subjects by the members.

**MEMBERSHIP**—Philadelphia Chapter is now the third largest chapter in the Institute with a membership of 997. Teams have been organized under able captains, and a contest is under way, each team striving to secure the largest number of members. The Board of Governors has offered a dinner to be tendered the winning team. The new membership to date amounts to 154.

**SOCIAL**—Arrangements are under way for an Entertainment and Dance to take place early in December. This is primarily a ladies' night and a large crowd is looked for. The date of the Annual Banquet has been set for March 6, 1915, and preparations for this affair have started.

**REGULAR MONTHLY MEETING**—The first regular monthly meeting of the chapter has been planned in honor of the two Philadelphians who have been the recipients of the very highest honors at the hands of the bankers of the United States—William A. Law, recently elected President of the American Bankers Association, and William S. Evans, recently elected President of the American Institute of Banking, both of whom are loyal members of Philadelphia Chapter.

#### PITTSBURGH.

By W. A. Korb.

**PITTSBURGH CHAPTER**, American Institute of Banking, commenced its 1914-15 season on Tuesday evening, October 6th, with one of the liveliest and most interesting meetings the chapter has ever had.

The meeting opened with P. S. Space, the retiring President, in the chair. To Mr. Space belongs unlimited praise for the faithful and efficient administration he has given our chapter during his term of office. Pittsburgh Chapter enjoyed a very successful season, both educationally and socially. In a few well chosen words, Mr. Space turned the meeting over to the new President, H. E. Reed of the Union National Bank, who, after welcoming old and new members and friends back for another season, proceeded to outline briefly the educational plans for the coming year.

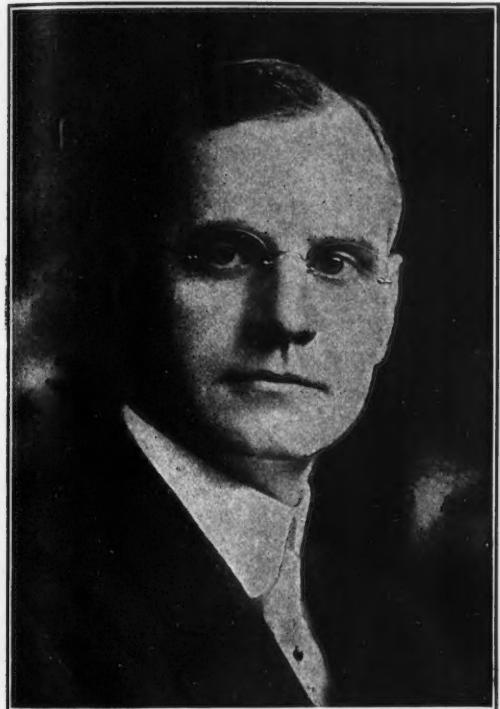
The courses this year are in the hands of the University of Pittsburgh, and consist of a course in Commercial and Banking Law, to be given in the chapter room on Tuesday evenings, and one in Practical Accounting to be given in the University on Friday evenings.

The first speaker of the evening was Dr. S. B. Linhart, the Secretary of the University of Pittsburgh, who spoke on "Education out of School." He aroused the boys to the possibilities which lie before them, and as a result a long list of names for enrollment in the classes was turned over to the Educational Committee.

The next speaker was Fred Lancaster of the Keystone National Bank. His subject was "Convention Echoes." Mr. Lancaster described, in a very entertaining way, the trip of the Pittsburgh party to the Dallas Convention. The limited time he had to speak prevented him from giving the details of the convention and trip. He emphasized, however, the great benefit that the delegates received from the convention and the wonderful hospitality shown the visitors, not only in Dallas, but also in Washington, New Orleans, Shreveport, Fort Worth, Waco and

San Antonio. In regard to this hospitality he said, "We hear a great deal about Southern hospitality but one must experience it to fully realize what it means." The members of the Pittsburgh party were President H. E. Reed of the Union National Bank, W. M. Bell and Jean Phillips of the Bank of Pittsburgh, N. A., Wm. Wuesthof of the Terminal Trust Company, and Fred Lancaster of the Keystone National Bank.

After Mr. Lancaster's address short talks were given concerning the educational work for the year, by Professor J. T. Holdsworth, Dean of the School of Economics of the University of Pittsburgh, and Professor J. T. Duff, Jr., who will have charge of the



D. C. WILLS.

Law course. The music for the evening was furnished by one of Pittsburgh's best quartettes.

The attendance at the educational classes this year promises to eclipse all former records. On Wednesday, October 14th, the opening night of the Commercial and Banking Law Class, there were enrolled about 125 members. Books were then distributed and the first lecture was given by Professor J. T. Duff, Jr. The class in Practical Accounting, although not completely organized at this writing, has already an enrollment of from 50 to 60 members.

Members of the Pittsburgh Chapter were indeed gratified to learn of the election of D. C. Wills, Cashier of the Diamond National Bank, as Federal Reserve Agent for the Cleveland District. Mr. Wills was one of the organizers and the first President of our chapter. He is an Institute graduate and a true representative of what the Institute stands for. He has always taken a deep interest and an active part in the chapter work, and is at present a member of the Educational Committee. We feel deeply the loss we shall sustain when Mr. Wills leaves Pittsburgh to take up his new duties, but the enviable

record he has established in the banking world should serve as an inspiration to the younger bankers of our day.

#### RICHMOND.

By Jesse F. Wood.

**R**ICHMOND CHAPTER is greatly enthused over its Educational Class, which was organized some few weeks ago under the very capable leadership of Henry G. Proctor, Chairman of the Educational Committee. Up to date, we have an enrollment of 69 out of a chapter membership of 197. This class has already added to the membership of the chapter, as there were several bank men who desired to take the course offered, but who were not members of our chapter. Of course, we are more than pleased at the large number of students and we hope that each man may continue his course until he becomes a certificate holder. It was our extreme pleasure at our last class meeting to have ex-President Dreher of the Institute give us a heart-to-heart talk along educational lines. His talk was very inspirational and every man present not only enjoyed it, but expressed the desire to become more capable and efficient in their respective duties. Richmond Chapter is very anxious to be up in the front ranks in its educational work, and have set about its task in a very serious and determined manner. Our keynote for this year will be "Education."

We are also having educational programs for our regular monthly meetings. Our meeting in October was very enthusiastic and the names of ten bank men were presented for membership. Frank W. Duke, Superintendent of the Mechanics Institute, spoke in a very persuasive and convincing manner on the timely subject "Efficiency in Education." Several delegates from the Dallas Convention made their reports on the Convention work and what they thought might be of interest to the chapter members. There were quite a number of talks for the good of the chapter, and then the meeting adjourned to participate in a light luncheon.

Richmond Chapter is especially pleased with the new officers of the American Institute of Banking. We know them to be very capable and believe that the Institute should be congratulated on the standard of men elected to its offices. We feel very close to our President, William S. Evans, and we pledge our earnest support of his administration. We predict for the Institute a very prosperous year.

Richmond City was the host for the American Bankers Association quite recently. There were probably ten to twelve chapter members in attendance at this Convention. We were pleased to have these members meet with us at a special dinner, and their expressions were greatly enjoyed. We just must say that we will be pleased to have any of our fellow chapter members come to see us at any time, as it has always been a source of pleasure and profit to meet them. We extend to each of you a cordial invitation to visit us.

#### ROCHESTER.

By Fay E. Wright.

**R**OCHester CHAPTER began its Educational Work for the season October 13th. Professor Meyer Jacobstein, of the University of Rochester, who is to be the instructor in the Economics and Finance Course, gave a general outline of the work to be covered. A large number enrolled at this meeting and we now have about sixty members in our Economics Class. Professor Jacobstein has had wide experience as an instructor and has done much work investigating economic conditions under State and local appointment. The course of study as given by him will afford an exceptional opportunity for those who take it up.

We will also have a Chapter Forum. Arrangements are being made to bring several men of authority here from time to time to lead in discussing various subjects.

There will be several dinners during the season

and we understand that these will be of even greater interest than those held last year.

We shall have a Debating Team again this year but no definite arrangements have as yet been made.

An entirely new feature of the Educational Work is the plan of making Saturday afternoon visits to manufacturing plants. This will be very interesting as well as instructive.

From the interest already shown, there is every indication that the season 1914-1915 will be the best in the history of Rochester Chapter.

#### SACRAMENTO.

By C. W. Lauppe.

**T**HE educational committee of the Sacramento Chapter has begun the 1914-15 term. The class in Law, with an enrollment of nineteen members, devote an hour each Thursday afternoon to class work under the direction of Professor Frank Tade, an eminent attorney of Sacramento and formerly principal of the Sacramento High School.

The class in Banking, with an enrollment of fifty-three members, receive instruction on Friday afternoons under the direction of Egbert A. Brown, Assistant Cashier of the California National Bank.

While our last monthly meeting was not well attended, it was a spirited one.

#### ST. PAUL.

By W. J. Stutzman.

**F**OLLOWING the Dinner Plan of last year, our first regular meeting was held at Carlings, September 15, 1914. It was large and enthusiastic gathering of Bank men and points to a most successful year.

President S. R. Harley presided and after outlining the year's work introduced the speaker of the evening, C. H. Elmquist, State Railway and Warehouse Commissioner. Mr. Elmquist spoke about the work of the commission explaining clearly its many duties and his talk impressed us with the importance of the State Department.

Professor C. H. Preston extolled the merits of the University of Minnesota's Extension Course and Walter Mayo, Secretary of Schuneman & Evans, spoke briefly on the value of constant study and urged all present to take up the educational work of the Institute. Reports of the various committees were heard and they indicated a bigger and better chapter for St. Paul.

H. R. Fairchild of the educational department has secured the services of Attorneys C. W. Cummins and John A. Parsons, both capable instructors, to conduct the class in Law as outlined by the Institute. To date forty members have enrolled. Through the courtesy of the Merchants National Bank we are allowed the use of their directors' room where the class meets every Thursday evening.

Through the strenuous efforts of E. B. Strate, a Bowling League of twelve teams has been organized, members only being eligible. Keen competition and friendly rivalry marked the opening games where some high and some remarkably low scores were made.

The St. Paul Chapter extends a hearty thanks to the Dallas boys for the hospitality and royal entertainment accorded our delegation while in their city.

#### SALT LAKE CITY.

By J. W. Boud.

**A**T the beginning of another year's work, the Salt Lake City Chapter feels that the outlook is exceptionally bright.

We feel first to congratulate ourselves because we have been fortunate in securing such a man as J. A. Malia, as President of our chapter. Mr. Malia's whole soul is in the chapter work, and we know that he is in the habit of doing things well,

hence our elation in having such a man as our leader.

Salt Lake City Chapter plans to again make its winter's work one of education, and intends to follow closely the regular A. I. B. study courses.

It is our intention to conduct two classes—one in Banking and one in English and Public Speaking. We feel that the last named course will be particularly beneficial to bank clerks, as so many are very backward when appearing in public.

It is our aim to have a competent instructor for the course. We feel that if the bank clerks of our city will take advantage of these courses, which are offered to them for almost nothing—all we ask is a little conscientious study on their part—that our educational work will soon be recognized as a powerful influence for good in this community.

#### SAN ANTONIO.

By J. E. Young.

**T**HE San Antonio Chapter wants to thank the Dallas Chapter for the good time and the many courtesies shown its delegates at the Convention. We also want to say that it was a great pleasure to us to have had as many visitors as we did, and we trust they enjoyed their stay in the Alamo City.

Having the Convention so near home, together with the fact that we had some two hundred Institute men with us for a day, seems to have had the right effect. Everything points toward a good year for us. Banking is to be studied. We have just received a shipment of forty sets of the revised pamphlets, and they have all been spoken for.

While last year the men from only one or two of the banks attended, this year it seems to be different, men from all the banks taking an interest in the work. At our last meeting we had an attendance of about thirty-five. The lesson covered a part of the Federal Reserve Act. A great many questions were asked, showing that the men had studied, and were very much interested.

#### SAN FRANCISCO.

By W. F. Gabriel.

**T**HE last month has seen the resumption of our two Educational Classes, after the regular summer vacation. Our members have responded strongly in both cases, indicating the growing appreciation of the Institute privileges.

We believe ourselves extremely fortunate in again securing instructors through the University of California Extension Division. On the afternoon of September 16th, Professor H. Beckwith conducted the first class in the Banking course, having over fifty enrolled. On the following Friday afternoon, a class of approximately the same number welcomed Professor Harrison in the Law Class.

Several of the Institute graduates are taking steps to formulate a class in Public Speaking. The success of last year's effort along this line, promises a large attendance. We hope to obtain an Instructor through the same medium as our other classes enjoy.

Our membership is steadily growing and we find a strong desire of those coming in at this time to attend the regular classes.

On the evening of October 7th, a large number of our members gathered at the Cort Theatre to welcome the delegates home from the Dallas Convention. All enjoyed the truly comic play, and feel that much is due H. J. Moore, who as Chairman, made the entertainment a big success.

Thursday evening, October 22d, Captain Robert Dollar, spoke to us on the Merchant Marine, and the effect on shipping of the new Acts now before Congress. It was gratifying to note the large attendance that came to hear Mr. Dollar's very interesting remarks. His long association with the shipping business, permitted him to cite actual facts and cases, many of which were unknown to us before.

Mr. John Clausen, Manager of the Foreign De-

partment of the Crocker National Bank, who was to read his paper "Opportunities for trade with South America," was unfortunately unable to be present. Mr. Curran, however, responded ably and permitted us all to enjoy the paper thereby.

San Francisco Chapter desires to extend its appreciative thanks to all our fellow members in awarding the 1915 Convention to the Exposition City. We welcome the opportunity to act as your host and hope we will be favored with the largest attendance of any Convention.

### SEATTLE.

By Lester R. McCash.

**W**E are glad to announce that one of the active Institute members, Arthur T. Drew, paying teller at the American Savings Bank & Trust Company has been promoted to Assistant Cashier of that institution. Mr. Drew has been with the American Savings Bank & Trust Company for twelve years, entering the bank as messenger and working up through all the departments. He is one of the best known and most popular of the younger bank men of the city. He has always taken an active part in Institute affairs, and has been on the Board of Governors of the local chapter for several years. He is also an Institute certificate holder. Mr. Drew's promotion is an illustration of what hard study and close application will accomplish.

The Seattle delegates have returned from the Dallas Convention and are loud in their praises of the good time they had and the treatment accorded them.

The educational classes have started their year's work and a large class is in attendance. It is planned to make this the largest class in the chapter's history.

The fourth annual banquet of the Seattle Chapter was held Wednesday evening, October 21st, at the New Washington Hotel. It was a success in every sense of the word and great credit is due the committee who had it in charge for securing such eloquent and brilliant speakers and for the good menu provided.

Surprises were on tap during the entire evening. The first one in store was the unique program. It was printed in the form of a pass book and on various pages were the names of the speakers, the menu and parodies on the late songs, which were sung by the guests between courses.

After the coffee and cigars were passed President Hayes Wilson arose and talked for a few minutes on the object of the A. I. B. and the work that the Seattle Chapter is doing. He then introduced former Federal Judge Donworth as toast master of the evening. Judge Donworth's witty sallies put the crowd in good trim for the fun that followed. The first speaker of the evening was Kenny Beaton, the humorist of the Seattle Post Intelligencer. He kept the audience in a roar every minute he talked. He was followed by Thomas B. Minahan, Vice-President of The German American Mercantile Bank who addressed the banquet on "The American Flag." Mr. Minahan is one of the city's best known orators and he was applauded for several minutes after the conclusion of his speech. Rev. Carter Helm Jones, pastor of the First Baptist Church, was the big surprise of the evening. Everyone knew his ability as a preacher but no one knew him as an after-dinner speaker. His wit and humor will be remembered for many a day. Other speakers consisted of Mr. Powell of Peters & Powell, one of the leading law firms of the city; and Mr. Moody, President of the Washington State Bankers' Association. Charles K. Richardson, President of the Pacific Cold Storage Company of Tacoma, was to have spoken as was also Mayor Gill, but both these gentlemen were unable to be present. However the other speakers were so good that the audience cheerfully swallowed their disappointment in not being able to hear the two gentlemen.

The guests left at a late hour voting this banquet to be the best ever held by the local chapter.

The committee in charge was: H. A. Barton, Chairman; G. E. Maine, D. L. Davis, R. P. Callahan and A. Stuesser.

Much favorable comment was heard in the change made this year in holding the banquet at the beginning of the year's work rather than at the end, as formerly.

This should be an incentive to non-members to join the chapter as other good things will follow.

### SPOKANE.

By J. C. Alston.

**O**N the opening night of the 1914-1915 season, October 7th, our President, W. E. Kelley, gave an interesting account of his trip to the Dallas Convention. A number of useful ideas were picked up by the way, from which Spokane Chapter will derive benefit later on; and the trip was, apart from its educational stimulus, altogether very enjoyable.

The meeting was well attended and we expect a good, strong, enthusiastic class. This year we are taking up Part I. of the Institute Course, Banking. Professor Beddall, who conducted this class two years ago, will again be our instructor. He interestingly outlined the course during the evening and we feel we could not be in better hands. In addition we have arranged for a series of lectures, twelve in all, to supplement the regular lectures. These will be given by local bank officials and are bound to prove of great practical value.

### SYRACUSE.

By Albert B. Merrill.

**O**N the 9th of October, Syracuse Chapter of the American Institute of Banking opened its Fall campaign on Education and Development to its members by giving up the evening to the reports of those who were fortunate enough to have been our delegates to the Dallas Convention.

Robert B. Porter and Edward C. Kaufmann, with "Triphammer" Wise, closed the evening showing the educational value, as well as the value of broadening one's acquaintances and friendships by attending a convention such as was held at Dallas.

E. C. Lamb, Chairman of the Educational Committee, of the Utica Chapter, met with us on this evening and we were especially glad to feel the cordial relations existing between the two chapters, as we are to have a debate later in the season.

On October 16th, Professor Roman, head of the Economics Department of Syracuse University, lectured to us upon the subject of Production. We were very glad to greet Professor Roman, as he is a "new man" in this city and the boys were very much enthused over his talk. He held every one's attention for over an hour and a half. This speaks for itself, when we say that Professor Roman is exceedingly popular as a lecturer.

On October 20th, the Public Speaking class met under the direction of Professor Tilroe, who is head of this Department in Syracuse University. The enthusiasm in this class is continually growing. Before the end of the year it is hoped that many of our men will be capable of speaking before audiences with no embarrassment.

October 23d, Professor Roman again lectured to us upon the subject of Distribution and Socialism. The room was again crowded and Professor Roman was even more interesting than at his previous lecture.

Our Advisory Board, which is made up of the representatives of officers of the banks of this city, met during the past week and the results of this meeting show that our officers and directors are as interested in Syracuse Chapter as the men themselves. They showed this by their help, not only in the interest in our meetings, but also by financial support from the banks.

There seems to be no reason why Syracuse Chapter should not develop itself more during the present

year and feel the effects of the educational opportunities offered by the Institute more than ever before, and we are all looking forward to renewed interest in all departments of the work.

Of special interest during the past week is the election of A. W. Hudson as President of the First National Bank, formerly Vice-President; Edward S. Tefft as Vice-President and Cashier of the First National Bank, formerly Cashier. William A. Boyd, President of the Syracuse Chapter, who was formerly Chief Clerk of the First National Bank, was promoted to Assistant Cashier. All of these men have the sincere good wishes of all the boys in Syracuse Chapter.

### UTICA.

By F. P. McGINTY.

**U**TICA CHAPTER having completed the Banking course will this year take up Part II of the Institute study course, pertaining to Law, under the direction of Frank R. Walker, Professor of Law in Syracuse University. It is proposed to devote two years to the Law course, this year's work dealing with the Laws of Contracts and Agency and Associations, and that of 1915-1916 with Sales and Bailments and Negotiable Instruments.

Firmly believing that any work "well begun is half done" our Educational and Speakers Committee, working under the able leadership of Charles J. Lamb, endeavored to arrange a "Program" of the coming chapter year's work, that would show exactly what we expected to accomplish.

A "Program" that would increase the interest of earnest members and arouse the interest of those members who had been "active" in name only, and those who had not been members at all.

The program arranged is as follows:

Oct. 20th—Opening Meeting—Address, Mr. Chas. S. Symonds, President Utica City National Bank, "An Epoch of German Culture."

Oct. 27th—Lecture—"An Agreement Between the Parties."

Nov. 5th—Lecture—"How the Contract is Made."

Nov. 10th—Lecture—"The Consideration."

Nov. 17th—Lecture—"The Form of the Contract."

Nov. 24th—Address—"Bonds," Mr. Morgan B. Garlock.

Dec. 1st—Lecture—"The Legality of the Agreement."

Dec. 8th—Lecture—"The Construction of the Contract."

Dec. 15th—Lecture—"The Assignment."

Jan. 12th—Debate—between members of the Utica Chapter A. I. B. Subject: "Resolved, that the notes issued under the Federal Reserve Act will result in inflation of the currency."

Jan. 19th—Lecture—"The Discharge."

Jan. 26th—Lecture—"Quasi Contracts."

Feb. 2d—Adding Machine Contest—Open to all Bank Clerks, members of Utica Chapter, A. I. B.

Feb. 9th—Lecture—"Principal and Agent."

Feb. 16th—Lecture—"The Obligation of Agency."

Feb. 23d—Lecture—"Partnerships."

March 2d—Debate—"Resolved, that the State of New York should enact a law compelling Banks and Trust Companies to guarantee deposits."

Affirmative—Utica Chapter, A. I. B. Negative—Syracuse Chapter, A. I. B.

March 9th—Lecture—"Corporations."

March 16th—Lecture—"Corporate Undertakings."

March 23d—Address—(Speaker and subject to be announced later)—Reading of prize papers.

At the request of many of the chapter members a class has been formed in Public Speaking. This work is in charge of Mr. Newton B. Hammond, Instructor of Oratory at the Utica Free Academy.

Two prizes of ten dollars each are to be offered this year for the best paper on the following subjects. A—"Qualifications necessary for a successful Bank Clerk." B—"The Bank as a Manufacturer of Credit."

Men who have served five years or less in the Banking business are eligible to compete for class "A" prize and those of more than five years' service for class "B" prize.

Papers shall contain not less than 500 words nor more than 1,500 words, and must be handed to the Chairman of the Educational and Speakers Committee not later than March 1, 1915. Use one side of sheet only and enclose your paper in an envelope containing your name on a separate sheet of paper. The winning paper in each class will be read at the meeting on March 23, 1915.

Three weeks before the date set for our opening meeting such a program, accompanied by a copy of our Constitution and By-laws, was mailed to every man connected with a bank in Utica and vicinity.

Following the mailing of the programs, our membership committee met and arranged a membership campaign. Upon starting to work, however, they found that the programs had performed their work so well, that about all they had to do was to receive applications.

Up to the present time thirty men have made application for membership.

As arranged, our first meeting was held Tuesday evening, October 20th, in our rooms at the Utica Trust and Deposit Company building.

Our President, Hugh T. Owen, presided, welcoming all in the name of Utica Chapter. He announced that up to that time over twenty applications for membership had been received and spoke at some length urging the men to earnest and faithful study. He then introduced Charles S. Symonds, President of the Utica City National Bank, the speaker of the evening, who delivered a very interesting and scholarly address on "An Epoch of German Culture."

Mr. Symonds said in part:

"We can look to a nation's early history for the causes which develop its ideas and emphasize its artistic or literary advancement, as truly as we can contemplate maturity as a sequence of beginning. German history from its earliest inception is hardly shrouded in mystery. Her annals are replete with noble purposes, heroic resolves and grand achievements. The hardy Goths and Germanic tribes which planted the seeds of her supremacy waded the fruitfulness which centuries of Teutonic activity garnered for her future. They were fruitful in resource and became masterful in those arts which made endeavor a synonym for progression, while the fusion of their barbaric strength with the pure blood of Saxon, Thuringian, Frank and Bavarian races created a people as responsive to the lessons of peace as to the mandates of war. With a spirit of adventure, encouraged by a greed for conquest, they early braved the passage of the North Sea and occupied the inviting British Isles. Soon these hardy races molded the social and political organizations of eastern and western Europe, and their thirst made the country of the historic Rhine and Weser the main abiding place of pure German elements."

The speaker then traced the history of German culture from earliest times. He began with Bishop Ulfila of the fourth century, who made a marvelous translation of the Bible in Gothic. "The work was complete, except the books of Kings and Chronicles. His translation was in existence down to the 10th century, when it disappeared, probably owing to the work being considered heretical. Near the close of the 16th century the translations of the four gospels were discovered in the Abbey of Werder. The manuscript was taken to Prague, and after the close of the thirty years' war became the property of the University of Upsala." The speaker quoted a writer who said that the language of the Goths in the fourth century is very superior to the German language to which it gave birth, both in harmony and purity of tone, in grammatical construction, in richness and precision of expression, and especially in dignity and power. A language so beautiful must have had its epics, lyrics and songs.

"Medieval poetry in its well defined divisions, covered three periods, each marked, characteristic and chivalric. With the first, the nibelung, we have glimpses of early mythology, incidents of the Scandinavian, Edda and the Volkerwanderung, or shifting of the early races during the fifth and sixth centuries. The second period, that of Charlemagne or Karl the Great, was illustrative of a development which fused Italian thought with Teutonic growth and paved the way for picturing traditional epics brought through strife by Henry the Fokler from the vanquished Huns, Danes, Vandals and Bohemians. Charlemagne, in converting the pagan Saxons by force of arms, added new life to German nationality by consolidating effort in the vanguard of progress toward nobler aims and higher civilization. The third period, that of Arthur of the Round Table, brings us to the age of chivalric poetry with its strange allegorical significance. The crusaders added a charm to the imagination, enriching thought with thousands of brilliant scintillations of erotic tenderness. From Charlemagne to the Hohenstaufen dynasty, it was the church which made the literature. From the 12th century, the splendid reign of Frederick I, surnamed Barbarossa, Duke of Swabia, it was the court, while immediately before and under the Reformation it was the middle class, the burghers and the workshop."

The speaker in a masterly review described the beginning of the literature of each period, its influence on the people. His paper showed careful research and study, and a thorough acquaintance with history. It named the principal writers of each period and at times gave quotations from their writings.

In conclusion he said: "None of these great men with all their mental endowments, activity and culture, gave to Germany such grand pre-eminence in letters, as he whose erudition jeweled the pages of the Fatherland, with writings whose noble purpose foreshadowed the highest honors for his race, Gott-hold Ephraim Lessing. I can only add for the Fatherland that my lines are but feeble imprints upon her past, a past, however, whose immortality is assured by that inspiration which German thought and culture ever evolved for artistic development and exalted National destiny."

"The gospel of the old Aryan Bishop Ulfilas, has pointed out the higher life through the drift of the centuries; chivalry, love and heroic valor have spoken to us through the 'Nibelungenlied' in the middle ages, while the intrepid valor of the German soldier, hero

and sage, has specialized the Fatherland wherever her borders have echoed or re-echoed the National anthem or the armored chant of 'Die Wacht am Rhein.'

"To-day in the din of battle and with the clash of arms, this mighty empire of Germany is fighting for an ascendancy of imperishable existence. Her prowess none can dispute, and her military power matched by that possessed by opposing forces whose patriotism is akin to her own, may succeed or it may fail. Whatever the result, it will be merged into the records of a world's history, but the influence of German culture can never be lost or enfeebled as reflected through this epoch of her past, and will continue to enrich all future time, shedding its beneficent light through the ages to come. Its life song will pass beyond all strife, all battles, all spoliations, all readjustments acquired through victory or accompanied through defeat, and in the vista of the future, this culture will emerge to the indestructible glory of the fatherland."

On motion of Richard A. Henry, a rising vote of thanks was given the speaker for his able address. Refreshments were then served and a very pleasant social hour enjoyed.

#### WHEELING.

By W. W. England.

**W**E had with us at our general meeting on Oct. 20th, a distinguished banker of our city, in the person of the Hon. B. Walker Peterson, President of Dollar Savings & Trust Company.

He entertained us for a period of more than an hour on a trip around the Mediterranean, vividly portraying to us the wonders of this beautiful and promising territory, in his own pleasing and intangible way. It was the unanimous voice of all present that this was one of the most pleasing and instructive talks we had had.

We also had a report from our President, Robert Lee Boyd, who was our delegate to the Convention at Dallas.

The Membership Committee reported that they had secured ten new members, and have good prospects of quite a number more.

The second issue of Bank Balances, our official publication, has been distributed and we have received very flattering comments on same.

#### DELEGATES AND GUESTS AT THE DALLAS CONVENTION.

ALBANY, N. Y.—Harley J. Hotaling, H. B. Rockwell, John H. Trowbridge.

ASBURY PARK, N. J.—F. L. Garrison, L. R. Hetrick.

ATLANTA, GA.—J. W. Speas, Stewart McGinty, T. W. Townsend.

ATOKA, OKLA.—E. T. Johnson.

BALTIMORE, MO.—James Hooper Dorsey, J. Clayton Wolfe, Jas. D. Garrett, Mrs. Jas. D. Garrett, C. Leland Getz, J. Leonard Hoffman, Jr., Henry B. Reinhardt, Albert N. Smith.

BOSTON, MASS.—Robert H. Bean, Frank W. Bryant, E. F. Fellmore, Francis Freeman, John W. Marno, Charles W. Steven, Herbert E. Stone, Frank E. Tracy, Jr., Randall A. Whittier.

BUFFALO, N. Y.—Harry G. Hoffman.

CAMERON, TEXAS.—Mrs. John Watson.

CHATTANOOGA, TENN.—T. R. Durham, Mrs. T. R. Durham, Fred. J. Miller, Carl G. Smith, C. W. Tomlinson, Harold T. Shelton.

CHICAGO, ILL.—Fred. W. Allen, John J. Allen, G. W. Ahrensfeld, V. R. Anderson, Harry Boyell, Bruce Baird, Henry A. Borse, Chas. L. Beers, N. B. Collins, F. H. Colcutt, Harry Carlson, Frank M. Day, C. S. Elvington, C. A. Edmonds, Mrs. C. S. Elvington, Thomas F. Ford, Paul Foerster, Jr., John H. Grier, Myron D. Goldberg, Frank W. Hausmann, A. G. Holmes, Mrs. A. G. Holmes, James E. Hull, Geo. A. Jackson, Mrs. Geo. A. Jackson, Raymond V. Kelley, Oscar J. Kuhn, A. W. Lander, O. F. Meredith, Carl Otto, Mrs. Carl Otto, Wm. H. Ohr, J. W. Patterson, C. A. Peterson, Chas. B. Peterson, Herbert C. Roer, Mrs. Herbert C. Roer, John W. Rubecamp, Mrs. F. J. Radloff, Mrs. J. W. Rubecamp, Jos. J. Schroeder, H. J. Sampson, Max Steiner, Carl E. Schiffner, Henry B. Tesmer, M. E. Trumbull, Owen V. Van Camp.

CINCINNATI, OHIO.—Louis C. George, Gus G. Sampson, J. Edward Sohn, Jr.

CLEVELAND, OHIO.—F. L. Archer, Will T. Bissell, W. D. Bennett, Frank L. Frey, A. J. Fowler, Clay Herrick, Louis C. Haas, H. L. Hajek, H. H. McKee, Carl A. Palmer, Francis P. Weber.

DALLAS, TEXAS.—Will A. Harris, Wm. Lasker.

DAYTON, OHIO.—Lon M. Holler, Fred W. Hecht.

DENISON, TEXAS.—R. W. Stoddard, W. H. Reynolds, Sam R. Lander.

DENVER, COLO.—Roy Clarkson, C. A. Land, J. N. Quinn, Charles R. Patch, Wm. O. Bird, Mrs. Wm. O. Bird, Edw. F. Bird.

DETROIT, MICH.—Earl W. Alles, W. H. Farr, Dan L. Kerlux, John H. Hart, John J. McGrath, W. A. Putnam.

EAU CLAIRE, WIS.—M. J. Leinenkugel.

FORT SMITH, ARK.—D. E. Boone, C. B. Herbert, E. Peninger.

FORT WORTH, TEXAS.—Arthur S. Bird, W. T. S. Kletz, F. E. Roberson, T. H. Sherwood, R. C. Martin, D. Mulenhaus, L. A. Greene, Oscar Vogel, T. J. Leulhorn, W. E. Eagle, Ferd. Moore, T. B. Hopkins, L. R. Henley, J. E. Craighead, R. M. Bowen, Raymond C. Gee, Blice Cattan, R. C. Garrett, G. C. Osburn, Robt. W. Mayer, M. J. Buchanan, C. M. Harris, Mr. MacNeill, H. W. Orgain, Chester McGee, Lloyd I. Jordon, D. W. Peacock, D. Maddox, Lee Sherrell, H. A. Eagle, F. C. Hendrix, Carl M. Ward, W. H. Wallerick, R. R. Porter, H. H. Wilkinson, J. S. Vogel, John Eriksen, Albert McPherson, H. L. Rudmore, S. H. Miford, C. A. Love, J. A. Brantley, Guy L. Price, J. M. Champ, F. W. Powell, Thos. W. Fite, John B. Litsay, Jr., T. J. Ward, J. M. Dunagin, W. J. Dyer, E. W. Hightower.

GRAND FORKS, N. DAK.—S. C. Hendrickson.

HARTFORD, CONN.—Harold C. Alvord, Calvin C. Bolles, K. R. Holt, H. T. Holt, Clarence T. Hubbard, George F. Kane, Victor I. Neilson.

HAVANA, CUBA.—Esteban Juncadella.

HOUSTON, TEXAS.—Harry S. Gordon, H. C. Hammack.

IDABEL, OKLA.—C. B. Ellers.

JACKSONVILLE, FLA.—H. A. Adams, A. C. Martin, L. A. Perkins, Jr., Mrs. L. A. Perkins, Frank Taylor.

KANSAS CITY, MO.—F. D. Sage, P. A. Adam, A. B. Eisenhower, I. E. Gaskill, A. W. Kennedy, H. L. Larson.

KNOXVILLE, TENN.—J. Frank Disney, Z. J. Shriver.

LITTLE ROCK, ARK.—J. J. McGrath.

LOUISVILLE, KY.—Val Franck Kimbel, Chester H. McKeldin, Wilbur I. Newhouse.

MIAMI, OKLA.—M. R. Tidwell.

MILWAUKEE, WIS.—F. E. Bachhuber, C. V. Collins, A. G. Casper, Paul Deitz, Chas. H. Eckstein, A. C. Glaser, Geo. H. Grieb, R. Janzer, R. A. Martin, Geo. H. Grieb, A. Rieloff, Edw. Schranz, Jr., A. J. Salentine.

MINNEAPOLIS, MINN.—Lester T. Banks, J. A. Bobb, Ralph M. Chapman, Frank J. Mulcahy, Geo. G. Struthers.

NASHVILLE, TENN.—A. C. Dorris, C. N. Crichtlow.

NEW ORLEANS, LA.—Irwin L. Bourgeois, Mrs. Irwin L. Bourgeois, R. E. Byrne, Jos. J. Farrel, R. S. Hecht, Mrs. R. S. Hecht, Felix Lloveras, F. Foster Michon, James J. Plauche, F. L. Ramos, Louis E. Volker, Stewart Wadsworth.

NEW YORK, N. Y.—Geo. E. Allen, F. H. Corwin, Jr., C. Walter Griffin, M. W. Harrison, Adolph F. Johnson, J. W. Roeder, Mrs. J. W. Roeder, O. Howard Wolfe, E. G. McWilliam.

OAKLAND, CAL.—E. A. McCormick, Thos. F. Watson.

OMAHA, NEBR.—G. H. Yates.

PHILADELPHIA, PA.—W. W. Allen, Jr., James B. Borden, Mrs. James B. Borden, Carl H. Chaffee, Armitt H. Coate, Paul B. Detwiler, Wm. S. Evans, Mrs. Wm. S. Evans, Frank C. Eves, Anthony G. Felix, Robert U. Frey, H. J. Harris, Norman T. Hayes, Harry Kollock, Wm. A. Nickert, Eugene J. Morris, D. J. Myers, T. W. Scattergood, Wm. L. Stroud, John C. Wallace, O. Stuart White.

PITTSBURGH, PA.—W. M. Bell, Fred G. Lancaster, Jean Phillips, Howard E. Reed, Wm. T. Woesthoff.

PORTLAND, ORE.—Earl W. Hammond, Fred L. Weber, T. H. West.

PROVIDENCE, R. I.—LeRoy V. Elder, John H. Wells.

RICHMOND, VA.—Geo. S. Barnard, Warren M. Goddard, Geo. H. Keesee, John M. Miller, Jesse F. Wood.

ROCHESTER, N. Y.—Frederick D. Whitney.

SACRAMENTO, CAL.—W. L. Landsborough, C. W. Lauppe.

SAN FRANCISCO, CAL.—John S. Curran.

ST. LOUIS, MO.—Henry H. Aehle, Frank C. Beal, L. C. Bryan, L. M. Carr, Mrs. L. M. Carr, W. R. Dorris, Frank N. Hall, Franklin L. Johnson, Fred W. Krieger, Byron W. Moser, Oscar J. Morris, J. E. Uhrig, Clarence W. Wright.

ST. PAUL, MINN.—S. R. Harley, W. J. Stutzman.

SALT LAKE CITY, UTAH.—Q. B. Kelly, J. A. Malia, A. C. Strong, Leo F. Tietjen.

SAN FRANCISCO, CAL.—Jos. H. Leal, H. A. Haake, Wm. A. Marcus, Franklin C. Mortimer, Ralph A. Newell, F. L. Starkweather, Roy E. Warner.

SCRANTON, PA.—G. J. Evon, Walter B. Kramer, A. J. Motiska, Thos. F. Reilly, Geo. J. Spear, W. W. De Wilde.

SEATTLE, WASH.—Irving C. Bogardus, V. R. Graves, R. H. Wilson, R. V. Osterhout.

SHERMAN, TEXAS.—Harrel C. Mason, C. L. Rollison, P. R. Markham.

SPOKANE, WASH.—W. E. Kelly.

SYRACUSE, N. Y.—W. A. Boyd, Edward C. Kaufman, Robert B. Porter, Arthur A. White, Alfred L. Wise.

TOLEDO, OHIO.—Elmer Hartz, Lester B. Martin, Henry A. Niehaus.

WASHINGTON, D. C.—F. B. Devereux, Parke A. Galliher, Avon M. Nevius, Arthur M. Nyman.

WHEELING, W. VA.—Robert Lee Boyd.

WILKES BARRE, PA.—R. H. Mitchell.

OTHER CITIES.—J. B. Preston, Edward Wilkins, A. E. McCoy, T. E. Driscoll, John R. Hader.

